Arman Financial Services Limited

ANNUAL REPORT
2025-26

# Anti Fragile

ARMAN FINANCIAL SERVICES LIMITED

## Corporate Overview



## Statutory Reports

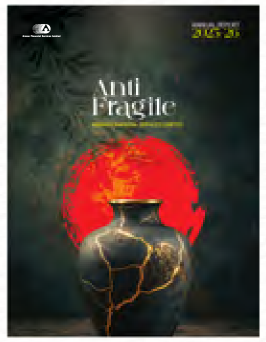


## Financial Statements



## Namra Finance Limited






## Anti Fragile

There is a word for systems that break under stress. Fragile. There is a word for systems that hold steady. Robust. There is no common word for systems that grow stronger because of stress. The mathematician and risk theorist Nassim Nicholas Taleb coined one: Antifragile.

Disclaimer

This document contains statements about expected future events and financials of Arman Financial Services Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

## In Loving Memory of
# Shri Jayendrabhai Patel

**(October 13, 1951 – August 25, 2026)**

A remarkable leader, mentor and guiding force who devoted his life to building an institution founded on trust, integrity and excellence.

His vision and values will forever remain a guiding light for the Arman and Namra families.

Bones grow denser under load. Muscles rebuild stronger after resistance. Immune systems learn from every exposure. Forests regenerate richer after fire.

In nature, some systems require stress. Pressure is how they grow. This principle has a name. Antifragile.

Arman Financial Services is antifragile.

# What Broke Around Us

For years, the fundamentals of Indian microfinance appeared remarkably strong. Asset quality was enviable. Outside exceptional events such as the Covid pandemic, net NPAs across the sector remained below 0.5%. Fund flows were abundant. Growth was the priority, and it came fast.

Beneath those strong headline numbers, however, structural vulnerabilities were building. Multiple lenders operated in the same geographies, extending credit to the same borrower pools with underwriting frameworks that did not accurately capture aggregate household income or leverage. Regulations eased. Household indebtedness rose steadily. Credit appraisal and loan recovery often sat within the same field role, creating inherent conflicts of interest that remained largely inconsequential as long as repayment rates held. The sector was lending more than its borrowers could sustain, and the early warning signs were buried under headline growth.

When rural earnings softened and liquidity tightened, overleveraged borrowers struggled to service multiple obligations, sending delinquencies sharply higher.

Credit costs surged from historically low single digits to double digits, while asset quality deteriorated quarter after quarter.

As rural incomes contracted amid excess credit, profitability declined and the microfinance sector's growth model broke down.

Arman was part of this landscape. Namra Finance, the microfinance subsidiary, saw its AUM move from ₹2,129 crores to ₹1,554 crores. The Company reported a consolidated loss of ₹15 crores for the first quarter.

These numbers reflect a choice. The Management elected to tighten underwriting, restrict credit flow in stressed geographies, and prioritise book quality over size. We chose contraction over compromised growth. It was the cost of beginning something larger.

**What is fragile breaks under stress.**
**What is deliberate begins there**

# What We Rebuilt from Within

The response was structural.

The Company separated two functions that had traditionally sat within the same field role. A dedicated credit team now independently handles customer underwriting, while a separate recovery team focuses exclusively on overdue recovery. The credit structure is now operational across 297 microfinance branches, while the dedicated recovery structure covers 295 branches. Early indicators are encouraging: comparable cohorts originated under the separate credit structure are showing 30–50% lower default rates than those originated under the earlier model.

Technology and data reinforced the new operating structure. The Company implemented a four-dimensional customer verification framework covering geotagging, bank verification, automated address capture and mobile verification. KYC validation uses OCR and facial recognition, while UPI-based penny-drop verification authenticates bank accounts at the point of origination. Algorithmic guardrails flag overlapping exposures across divisions and prevent over-indebtedness before a loan is sanctioned. A new Business Intelligence vertical continuously monitors portfolio and field-level data to identify anomalies and emerging risks early.

The lending portfolio was diversified alongside the operating model. MSME lending now accounts for 20.31% of consolidated AUM, at ₹554.14 crores. The Micro LAP portfolio, built as a secured-lending proposition, operates with a GNPA of 0.74%. Individual Business Loans under microfinance have scaled to ₹712.12 crores, targeting higher-quality borrowers with credit scores of 750 and above. The two-wheeler business continues to demonstrate strong collection performance, while a rooftop solar loan pilot in rural Gujarat represents another step towards addressing underserved credit opportunities.

**What is robust survives the test.**
**What is rebuilt becomes the test.**

# What the Stress Made Possible

The reforms are already visible in the numbers.

Collection efficiency rose from 95.34% in June to 96.43% in December and 97.01% in March. The X-bucket collection efficiency in the MFI book was 99.49%. Confirming that current borrowers are maintaining repayment discipline.

The cost of stress is declining. Impairment charges for the group decreased from ₹264 crores in FY 2024-25 to ₹148 crores in FY 2025-26, and fell to ₹17 crores in Q4 FY26, the lowest of the three reporting periods. Gross NPA improved from 4.13% in December 2024 to 3.43% in March 2026. Net NPA stood at 0.93% as of March 2026.

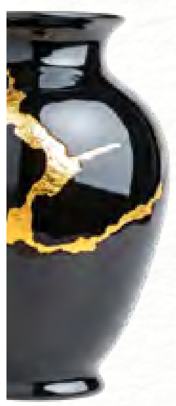
These outcomes came from within, independent of the operating environment. The improvement is a direct result of the separation of functions, the technology layer, the product diversification, and the discipline to hold course through a difficult period.

Arman Financial Services entered FY 2025-26 as a microfinance company navigating a correction. It exited the fiscal year as a wider, stronger, structurally different institution with a cleaner book, a broader portfolio, and an operating model that did not exist twelve months ago.

**What is antifragile does not merely survive the storm. It is built by it.**

STATEMENT FROM THE WHOLE-TIME DIRECTOR

# "The Numbers In Our Financial Statements Represent Lives. That Has Always Been The Real Measure Of What We Do."



## Dear Shareholders,

I have had the privilege of building Arman Financial Services over the course of 34 years. When we started in 1992, the idea was relatively simple and entrepreneurial: there were millions of people whom the formal banking system could not, or would not, finance. We believed there was a viable business in understanding and serving them better.

We did not begin with microfinance. In fact, the Arman of the early years tried many things. We financed two-wheelers and rickshaws, made personal loans, discounted bills and placed inter-corporate deposits. Some businesses worked better than others. Some we left behind. Each taught us something about credit, customers and, above all, risk.

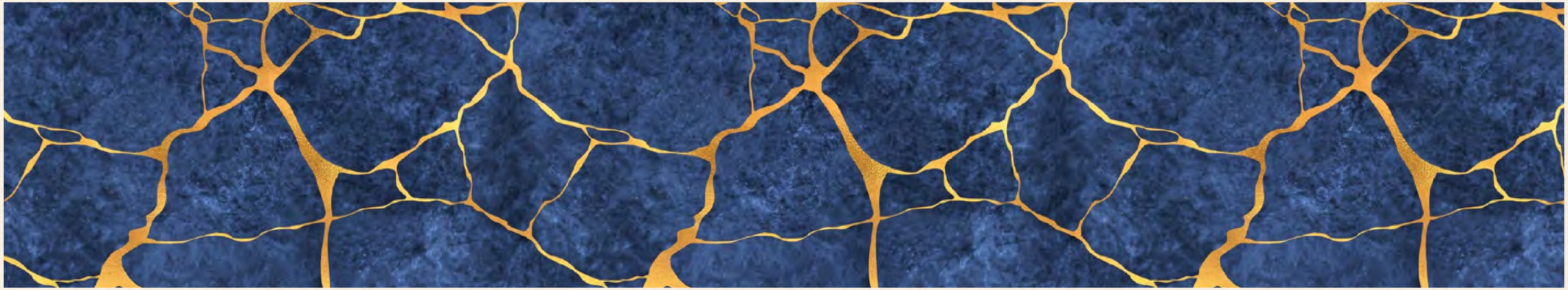
By 2009-10, two-wheeler financing had become our principal business when we began a small experiment in microfinance. That experiment changed the direction of the Company. We progressed well, understood the opportunity and gradually found our niche not merely in microfinance, but in serving rural and underserved India more broadly.

The journey since then has been anything but linear. We have navigated interest-rate cycles, regulatory transitions, demonetisation, a pandemic and, most recently, a sectoral correction that tested many of the assumptions on which our industry operated. Each episode asked something different of the organisation. Sometimes the answer was perseverance. Sometimes it was patience. And sometimes it required us to change fundamentally. But each time, Arman emerged more capable than it entered.

There is an old philosophical thought experiment called the Ship of Theseus. If, over the course of a long service, every plank of a ship is gradually replaced, is it still the same ship?

After 34 years, I sometimes think of Arman in much the same way.

We are unquestionably the same Company that began in 1992. The values, entrepreneurial instinct and willingness to go where traditional finance hesitates remain deeply familiar to me. And yet,



almost everything else has changed. The businesses have changed. The products have changed. Our customers, people, technology, systems and methods of assessing risk have evolved beyond recognition.

I remain the last member of the original founding team. And now, even my role has changed. I have moved from running the Company day-to-day towards a more strategic and mentoring role, helping ensure that the transition to the next generation is thoughtful and smooth.

I remember the early years clearly. We operated from a single basement office with a small team and a conviction that we could build a business by going where banks hesitated to go. The formal financial system of the 1990s was often rigid, inflexible and bureaucratic, particularly for customers without conventional income documentation or collateral. We believed there was a better way to understand and finance them.

Years later, when we entered microfinance, that conviction took us much further. Our teams travelled to villages where organised credit had barely reached. They sat with women who had never held a formal loan document and worked in communities where electricity, roads and access to a bank branch could not be taken for granted.

We built the Company one relationship at a time. We were nimble, agile and adaptable, but we understood very early that none of that mattered unless we could manage risk. Products would change. Markets would change. Customers would change. Our fundamental job was, and remains, to understand and price risk responsibly.

There were lessons at every stage.

In microfinance, our field officers lived close to the communities they served. They understood the rhythms of rural income: harvest cycles, lean months, festivals and the unexpected events that could strain a household budget. Their proximity to the customer was an important part of our underwriting. It was imperfect, and we learned as much from our mistakes as from our successes. But it taught us something that no model or algorithm can fully replace: lending to the underserved ultimately involves trust in both directions.

Today, technology gives us capabilities we could scarcely have imagined then. Data, credit bureaus, digital payments, geolocation, automated verification and increasingly sophisticated underwriting models allow us to make better decisions at a scale that would once have been impossible three decades earlier. But I hope we never lose the understanding of the customer that was built during those early years. The strongest institution will combine both.

The people who built this institution alongside me deserve more acknowledgement than a statement can offer. Team members stayed through our most difficult quarters. Field staff travelled unpaved roads through monsoons to meet customers and maintain collection schedules. Operations teams processed thousands of applications without the technology infrastructure we take for granted today. The systems and technology we have now stand on foundations built through years of their personal effort and commitment.

What stays with me most, looking back, is the scale of lives this Company has touched. Tens of lakhs of borrowers across 11 states. Women who started micro-enterprises with their first loan. Families that purchased their first vehicle. Small business owners who expanded from one machine to two.

The numbers in our financial statements represent these lives. That has always been the real measure of what we do.

This year also marks an important transition for Arman. Aalok has stepped into the role of Vice Chairman & Managing Director, while Vivek has taken charge as Executive Director and Group CFO. I have watched both of them grow within this organisation. I have seen how they think, how they make decisions under pressure and, importantly, how they hold themselves accountable for those decisions. I believe the Company is in steady and capable hands.

As Whole-Time Director, I will continue to contribute where my experience and institutional knowledge can be useful. After spending 34 years building Arman, stepping away from day-to-day management does not feel like an ending. It feels like another stage in the Company's evolution. Part of the responsibility of a founder is not merely to build an institution, but to ensure that the institution can eventually thrive without depending on its founder. Perhaps that is the final answer to the Ship of Theseus.

Arman today looks very different from the Company we started in that basement in 1992. It is larger, more sophisticated and more capable. Its people and its systems have changed. Its leadership is changing too.

And yet, it is unmistakably Arman.

That is a matter of quiet pride. The work continues.

**Warm regards,**

***Shri Jayendrabhai Patel***
***Whole-Time Director***

***Guided by Our Founder's Vision***

Prior to his passing, he penned these final thoughts for Arman Financial Services

## STATEMENT FROM THE VICE CHAIRMAN AND MANAGING DIRECTOR

> "Calibration over aggression. The pace of expansion must follow the quality of the foundation."

## Dear Shareholders,

FY 2025-26 was not a year of milestones. It was a year of groundwork. The kind of year that reads modestly in the financial statements but reshapes the institution underneath. Every quarter required us to weigh short-term performance against long-term health, and in each instance, we chose long-term health.

That consistency came at a cost. It also built something that did not exist twelve months ago: an institution we trust more than the one we started the year with.

Making those calls carried a personal weight as well. I stepped into the role of Managing Director this year, a role my father held for almost 34 years. I will not attempt to summarise what he built.

His statement in this report does that with a completeness I cannot improve upon. What I will say is this: I have large shoes to fill, and stepping into this chair during a year that demanded difficult decisions was perhaps the most honest way to begin. There was no grace period, and I did not want one. The decisions we made this year are mine to own, and the results going forward are mine to deliver.

The philosophy that governed those decisions is simple: calibration over aggression. Growth is important.

It always will be. But growth that compromises the quality of the book, the discipline of origination, or the trust of our borrowers is growth we are prepared to forgo. The pace of expansion must follow the quality of the foundation, and this year was about getting that foundation right.

We are already seeing evidence that it is working. Asset quality has improved significantly. But we need to be careful about what conclusion we draw from that improvement. Have rural macroeconomic conditions improved materially, or have we simply become better at selecting whom we lend to? My assessment, at least for now, is that it is more the latter than the former.

That distinction matters.

We are hungry to grow. But our growth cannot depend on assumptions of rising rural incomes, favourable rainfall, benign credit conditions or an improving external environment. Those factors will help when they arrive, but they cannot be the basis of our underwriting. Growth must come from greater vigilance in customer selection, not greater optimism about the environment. If the macro improves alongside it, that should be an upside, not an assumption.

That foundation now supports a wider institution. Arman today operates across JLG microfinance, Individual Business Loans, MSME lending, two-wheeler financing and Micro Loan Against Property. A year ago, the Company's identity was defined primarily by its microfinance book. That is changing.

Importantly, we do not view these as unrelated products assembled for the sake of diversification. They are largely complementary products designed around the financing needs of rural and semi-urban customers as those needs evolve.

For many borrowers, that journey

can begin with a relatively small JLG microfinance loan. As income, credit history and repayment capacity develop, an Individual Business Loan can provide a larger amount without the constraints of a group structure. More established micro-enterprises can graduate towards Rural MSME loans, while Micro LAP allows qualifying customers with property to access larger amounts of secured credit at a lower cost.

In that sense, our diversification is as much about customer progression as product expansion. We want to build the ability to serve a customer through different stages of their economic journey rather than lose that relationship simply because their financing requirement has outgrown the product through which they first came to Arman.

Of these businesses, microfinance requires the most honest assessment. The overleveraging that characterised the previous cycle has forced a fundamental reassessment of how rural credit is originated and monitored. I believe this is a healthy process.

The institutions that emerge from this phase should operate with tighter underwriting, better borrower-level data and a more honest relationship between credit supply and repayment capacity. Rural demand for formal credit remains large and genuine. The sector will recover; it always does. Cycles come and go, and no industry grows in a straight line. But I hope microfinance emerges from this cycle more disciplined and more selective. That would be good for borrowers, good for lenders and good for the long-term sustainability of the sector. It would also suit the institution we are building.

MSME lending sits at a different point in its evolution. India's small-enterprise economy is formalising steadily. GST registration, digital payments and greater participation in formal banking are creating increasingly verifiable credit trails for businesses that were once largely invisible to organised lenders.

The opportunity is substantial, but this is not a business in which growth should run ahead of underwriting capability. Cash flows must be understood properly. Local economies matter. Proximity to the borrower matters. Competitive intensity will increase, but the borrower pool is deep enough to accommodate disciplined lenders that understand these realities. We see individual, non-group-based products such as MSME lending and Individual Business Loans as a cornerstone of Arman's next chapter.

Over the longer term, we are building towards an AUM of ₹5,000+ crores. I am deliberately not attaching ambition to a deadline. We know where we want to go. What matters is how we get there.

We will grow when portfolio behaviour tells us we can grow. We will accelerate where the data gives us confidence, and recalibrate where it does not. ₹5,000 crores reached with compromised asset quality would mean very little to me. ₹5,000 crores built on a portfolio we understand and trust would mean considerably more.

The foundation for all of this- the values, relationships and institutional culture- was laid long before I took this chair. My responsibility is not simply to preserve that inheritance. It is to build on it, adapt it where necessary, and leave the institution stronger for whoever eventually occupies this chair after me.

I carry that responsibility with a clear understanding of where we have come from, and an equally clear view of where we intend to go.

**Warm regards,**

***Aalok J. Patel***
***Vice Chairman & Managing Director***

# A Tribute to
# Shri Jayendrabhai Patel

**Because ultimately, the credit belongs to the person who actually steps into the arena. Shri Jayendrabhai spent his life there.**

His face bore the marks of decades of work. He built something from very little. He absorbed financial storms, personal losses, illnesses, failures and disappointments that would have caused many people to retreat. And each time, somehow, he stood up again.

He made decisions that mattered. Decisions that affected families, employees and livelihoods. He took risks others would not take and accepted responsibility for outcomes that most people never saw.

Sometimes those decisions were right. Sometimes they were wrong.

But he was never a spectator.

He knew the exhilaration of achievement and the pain of defeat. He understood loyalty, sacrifice and the responsibility that comes with having other people depend upon you. He showed up, every day, including on the days when showing up was difficult.

And when life eventually dealt him battles that could not be won, he faced those too in much the same way he had faced everything else: with determination, dignity, humour and an extraordinary instinct to keep going, such was his love for life.

If he failed at anything at all in his life, he always failed while daring greatly. His life was, in many ways, one long act of calculated daring.

From humble beginnings, through the years of building and leading, through the joys of family and the battles of age and illness, he never belonged among those who chose the safety of the sidelines.

**He was always the man in the arena.**

***IN CONVERSATION WITH THE EXECUTIVE DIRECTOR AND GROUP CFO, MR. VIVEK MODI***

"The balance sheet is funded, it is liquid, and it is positioned to move. The growth target was arrived at from the bottom up, and we will pursue it within the boundaries of asset quality."

**Q | How did the Company perform financially this year?**

The first quarter reflected the cost of the decisions we made on underwriting and disbursements. Pre-provisioning profit for Q1 stood at ₹55 crores, which tells you the earning capacity of the business remained intact. The pressure on the bottom line came from provisioning choices, not from operational weakness. The trajectory since then has been clear. Net interest income grew 17% year on year on the standalone book. By Q3, the standalone entity reported a profit after tax of ₹22 crores. For the nine months, consolidated profit after tax stood at ₹16 crores. The return to profitability was driven by improving asset quality and sustained performance across the non-MFI segments. What allowed us to absorb the Q1 impact and recover within the same fiscal year was the strength of the underlying capital base.

**Q | What does the Company's capital adequacy position look like, and why does it matter?**

Capital adequacy, in simple terms, is the proportion of a company's own capital relative to the loans it has extended. It measures how much of the lending book is backed by the institution's own resources rather than borrowed funds. The higher this ratio, the greater the institution's ability to absorb unexpected losses and continue operations through a difficult period. Regulators prescribe a minimum threshold. What matters is how far above that threshold a company sits.

Arman's standalone capital adequacy is 27.86%. Namra Finance is at 41.01%. The regulatory minimum for NBFCs is 15%. The Company maintains more than twice the required buffer at the standalone level and more than three times the required buffer at the subsidiary level. This reflects a conservative approach to leverage that has been a governing principle since the Company's early years. It means we have the capacity to absorb stress without seeking external capital, and the room to grow when conditions are right, without first having to rebuild the balance sheet. Capital adequacy tells you what a company can withstand. Liquidity tells you what it can act on.

**Q | How is the liquidity position?**

The consolidated debt-to-equity ratio stands at 1.90. We hold ₹216 crores in cash and liquid investments, supplemented by ₹256 crores in sanctioned, undrawn credit facilities that can be drawn down as needed. The Board has also approved the issuance of up to ₹500 crores of non-convertible debentures, providing us with additional funding runway for the growth phase ahead.

Equally important is the structural health of the asset-liability profile. Across all maturity buckets, inflows exceed outflows. There is no tenor where the Company faces a liquidity mismatch. This is not a position we arrived at this year. It is the outcome of a disciplined approach to borrowing tenors and disbursement planning that has been in place for several years. The balance sheet is funded, liquid, and positioned to move. The question then becomes: how are we protecting what we already have on the books?

**Q | How is the microfinance portfolio being protected?**

The portfolio is protected through the Credit Guarantee Fund for Macro Units (CGFMU). As of March 31, 2026, up to 93% of the microfinance portfolio is covered under the CGFMU scheme. Every new MFI disbursement since November 2024 carries this coverage. The scheme introduces a premium cost on the expense side, but it materially reduces credit costs and provisioning requirements. We pay a defined cost upfront and receive portfolio-level protection in return. In the current operating environment, that trade-off is straightforward.

This coverage gives us the comfort to manage the microfinance book through the remainder of the cycle without it consuming a disproportionate share of management attention or capital. It also frees us to focus on the verticals that are driving growth today. However, I do want to mention that we do not view CGFMU as a substitute for underwriting. The first line of defence always remains customer selection and collections. The guarantee provides an additional layer of protection against tail-risk events and, over time, should help make credit losses more manageable and more predictable through cycles.

**Q | How have the established non-MFI verticals performed?**

The MSME and two-wheeler verticals have served as stabilisers this year. That was their role in the portfolio, and they fulfilled it.

MSME lending grew 28% year on year. The borrower profile in this segment is a small business owner with an established trading or manufacturing activity, typically operating in semi-urban markets. The average ticket size is approximately ₹81,000. Gross NPA in the segment stood at 3.84%. What makes this vertical reliable from a portfolio construction standpoint is the combination of healthy yields, manageable ticket sizes, and a borrower base whose income is diversified across economic activities rather than dependent on a single crop cycle or seasonal pattern.

The two-wheeler segment contributes 3.44 % of consolidated AUM. It is inherently seasonal, with demand peaking around festivals and the harvest period. The borrower base is largely first-time vehicle owners in rural and semi-urban markets. The segment requires active collection management but delivers consistent yields. These two verticals have earned their place in the portfolio. The next question is what we are building alongside them.

**Q | What is the thinking behind the newer verticals?**

Each of the newer verticals was added to the portfolio for a specific reason.

Micro Loan Against Property brings a secured asset into what has historically been an unsecured lending book. The product offers longer tenures, lower NPAs, and collateral-backed stability that balance the higher-yield, shorter-tenure products in the portfolio. We are currently operational in Gujarat, Madhya Pradesh, and Telangana, and the early performance has validated the thesis.

Individual Business Loans represent the natural evolution of our microfinance borrower. These are customers who have built a credit history, demonstrated repayment discipline, and grown their economic activity to a point where a group-based product is no longer appropriate. We underwrite these loans against individual cash flows and credit scores of 700+. This is a deliberate move towards higher-quality origination within the microfinance ecosystem.

The solar loan pilot is our most recent addition. The rationale is geographic. In rural Gujarat, demand for rooftop solar installations is growing steadily, but the competitors in this space are largely urban-focused and lack the last-mile reach. Our branch network is already present in these markets. We understand the borrower. We understand the geography. The product leverages infrastructure we have already built rather than requiring us to build something new. We are currently testing the market and it is early to judge its long term potential.

Taken together, these verticals represent a portfolio that is being built for resilience across cycles. How resilient it proves to be will depend, in part, on the macroeconomic environment ahead.

**Q | How do you see the macroeconomic environment shaping the Company's outlook?**

Factors are working in our favour, and others require caution.

On the interest rate front, the trajectory is supportive. The Reserve Bank of India has been easing monetary policy, and borrowing costs for well-rated NBFCs have softened. This benefits us on the funding side. Our asset-liability management ensures that rate movements flow through both sides of the book in a measured way, protecting the net interest margin.

Inflation has remained within manageable limits, which is important for our borrower base. When inflation is stable, rural household budgets are less strained, and repayment capacity holds. This is a direct link between the macro environment and the quality of our book.

The geopolitical picture is less predictable. Trade disruptions, commodity price volatility, and shifts in global capital flows create uncertainty that no domestic lender can fully insulate itself from. We manage this by controlling what we can: maintaining conservative leverage, getting CGFMU coverage, keeping liquidity strong and ensuring that the growth we pursue does not outpace our ability to absorb an unexpected shock.

On balance, the domestic environment for a lender of our size and profile is constructive. Rural incomes are stabilising. The formal credit infrastructure in semi-urban India continues to deepen. The demand for the kind of credit we provide, small-ticket, proximity-based and tailored to local economies, remains substantial and genuine. That brings us to what we expect from the year ahead.

**Q | What is the financial outlook for FY 2026-27?**

We are entering the year from a position of readiness. The capital base is intact. The provisioning cycle is substantially behind us. The non-MFI segments continue to deliver, and the microfinance book is stabilising, supported by the structural reforms now embedded in operations.

An additional tailwind is the continued migration to cashless collections.

The individual loan portfolio is now 75-80% cashless, enabled by UPI and NACH mandates. This matters for the operating cost trajectory. As AUM scales, the collection infrastructure does not require a proportional increase in field staff or logistical costs. That efficiency will become more visible in the numbers as the book grows.

The growth target the Company has set is a realistic, bottom-up number. We will pursue it within the boundaries of asset quality and capital efficiency. The objective is steady, compounding growth from a clean base, and we have the financial capacity to deliver it.

*ABOUT THE COMPANY*

# THE ARMAN STORY

We are a diversified Non-Banking Financial Company (NBFC) focused on serving large, underserved rural and semi-urban retail markets across India. Founded in 1992, we have remained committed to empowering entrepreneurial aspirations and supporting the financial needs of individuals and enterprises.
Headquartered in Ahmedabad, we have built a strong presence across 11 contiguous states, enabling us to stay closely connected to the communities we serve.

Over the years, we have strengthened our institution through an experienced leadership team with a combined lending expertise of more than 100 years. Our journey has also been marked by key milestones, including our listing on the BSE in 1995 and on the NSE in 2016.
Today, we continue to evolve with our customers, leveraging our deep understanding of rural and semi-urban markets to create sustainable value for all our stakeholders.

## Our Vision

The Company believes that money should not stop a person from dreaming or realising their true potential. Our vision is to materialise the dreams of people, who need a monetary push. For that, The Company has made it a mission to attain globally best standards and become a world class financial services enterprise that is committed to a greater degree of sophistication and maturity.

## Our Mission

To help those who are at the bottom of the pyramid. To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal. To earn the trust and confidence of all stakeholders, exceeding their expectations and making the Company a respected household name.
To consistently achieve high growth and the highest levels of productivity. To be a technology-driven, efficient and financially sound organisation. To contribute towards community development and nation-building. To be a responsible corporate citizen nurturing human values and concern for society, the environment and, above all, the people.
To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals. To encourage ideas, talent and value systems. To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

## Our Corporate Values

We will adhere, individually and collectively, to our commitments, our values, and the ethical conduct of our business.

- To our customers, we are committed to providing quality products and services that consistently represent an exceptional value and result in high customer satisfaction.
- To the society, we are committed to improving the status of living for a large section of the population through our passion for financial inclusion.
- To our employees, we are committed to offering a rewarding workplace that encourages mutual respect, communication, openness to challenge, and the opportunity for both personal and professional growth.
- To our investors, we are committed to creating value and consistently delivering outstanding financial returns.



## *Product Offerings and Portfolio Mix*

| Product Category | Purpose / Description | Average Ticket Size | Tenure | Share of AUM (%) |
|---|---|---|---|---|
| Microfinance – JLG | Funding entrepreneurial aspirations of rural women through group-based lending | ₹54,000 (Cycle 1 & 2: ₹25,000–60,000; Cycle 3 onwards: ₹25,000–75,000) | 12–24 months | 47.1 |
| Individual Business Loans (IBL) | Retaining and supporting high-performing microfinance customers as they scale their businesses | ₹98,000 | 24 months | 26.1 |
| MSME Loans | Empowering small businesses and entrepreneurs in rural and semi-urban markets | ₹81,000 | 24 months | 20.3 |
| Two-Wheeler Loans | Enabling mobility and improving access to livelihood opportunities | ₹75,000 | 12–36 months | 3.4 |
| Loan Against Property (LAP) | Providing secured financing against residential or commercial property assets | ₹5,40,000 | 36–84 months | 2.9 |
| Solar Loans (Pilot) | Supporting access to sustainable energy solutions for rural households and enterprises | ₹1,80,000 | 12–60 Months | 0.1% |

## *Our Strategic Pillars*

| Pillars | Our Approach |
|---|---|
| Serving Underserved Markets | We focus on addressing the credit needs of individuals and small businesses across rural and semi-urban India, catering to customer segments that remain largely underserved by formal financial institutions. |
| Diversified Growth Strategy | Our growth is driven by expanding customer reach, strengthening market penetration and diversifying products, geographies and funding sources, while maintaining a balanced portfolio mix. |
| Disciplined Risk Management | We operate with a prudent risk philosophy, placing strong emphasis on portfolio quality, responsible lending practices and long-term sustainability over short-term expansion. |
| Deeply Integrated Operating Model | Our operations are managed through an end-to-end in-house framework, supported by locally relevant credit assessment methodologies and robust collection mechanisms tailored to our markets. |
| Institutional Credibility | Consistent operational execution, financial discipline and portfolio resilience have strengthened stakeholder confidence, reflected in our improving credit profile and market standing. |
| Sustainable Value Creation | We pursue high-yielding retail lending opportunities through a conservative and disciplined approach, enabling us to deliver healthy returns while maintaining balance sheet strength and resilience across economic cycles. |

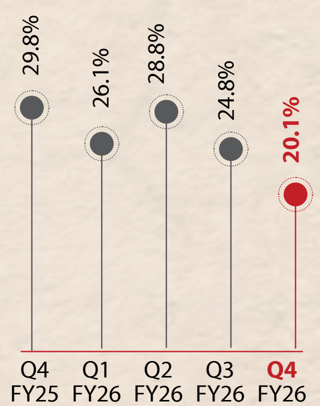
## Lending Partnerships

### Bank Borrowings

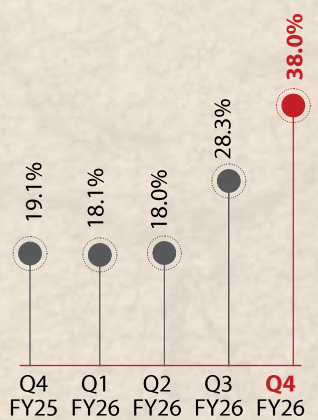
### Non-Bank Borrowings

### Securitisation Partners

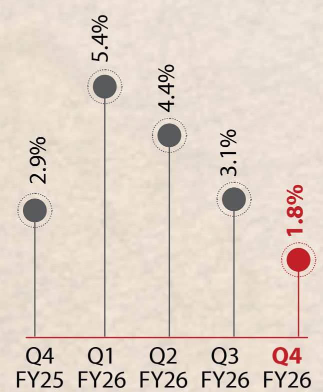
## Borrowing Mix



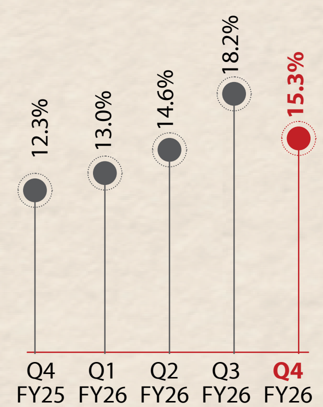
Direct Assignment (DA)



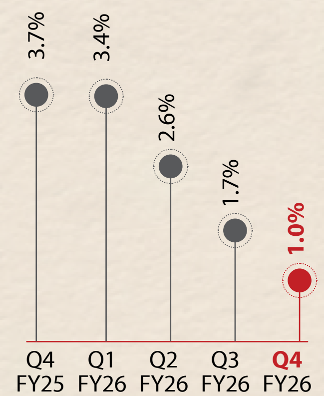
Non-Convertible Debentures (NCDs)



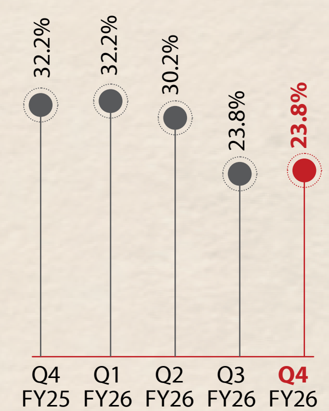
Securitisation



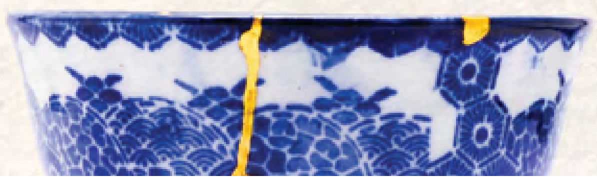
NBFCs / Financial Institutions



DFIs (NABARD, MUDRA & SIDBI)



Banks & Small Finance Banks



## Credit Profile

| Instrument | Rating Agency | Rating |
|---|---|---|
| Long-Term Bank Facilities | ACUITE | ACUITE A- \| Stable |
| Non-Convertible Debentures | ACUITE | ACUITE A- \| Stable |

## Arman in Numbers

**529**
Branches

**162**
Districts

**11**
States

**~6.3 Lakh**
Live Customers

**4,976**
Team Size

**4,157**
Field Force

**₹2,433.26 cr**
Disbursements (Consolidated)

**₹2,728.43 cr**
Assets under Management (Consolidated)

**0.93 %**
Net NPA (Consolidated)

**1.90**
Debt-to-Equity Ratio (Consolidated

**₹398.9 cr**
Cash and Bank Balances (Consolidated)

**27.86 % | 41.01 %**
Capital Adequacy Ratio (Arman | Namra Standalone)

*MILESTONES*

# OUR JOURNEY OF TRANSFORMATION

## 1992
Company Incorporated
Started bill discounting & Machine leasing

## 1995
Listing on BSE – Issue subscribed 22x

## 1998
Launched 2W Loans

## 2010
Launched Microfinance business

## 2011
Raised PE funding from Incofin
Disbursement crosses ₹50 Crore

## 2013
Demerged MFI operations into "Namra Finance"
Disbursement crossed ₹100 Crore

## 2014 -16
Expanded to Maharashtra, MP, UP & Uttarakhand
Listing on NSE

## 2017
Launched MSME Loans business
Crossed 100 branches across 5 states & 3 products
Disbursement crossed ₹50 Crore

## 2018
Raised PE funding from Elevation Capital (erstwhile SAIF Partners)

## 2019
Disbursement crossed ₹750 Crore
100% Cashless disbursements
Expanded into Rajasthan

## 2020
Disbursement crossed ₹875 Crore

## 2021
AUM crossed ₹1,000 Crore

## 2022
Raised ~₹115 Crore through allotment of CCDs and OCRPs on a preferential basis
Commenced operations in the states of Haryana and Bihar

## 2023
Namra Finance received CARE Ratings' highest MFI-1 grading.
Doubled the AUM to ₹2,000 Crore in 18 months
Raised ~₹230 Crore through QIP

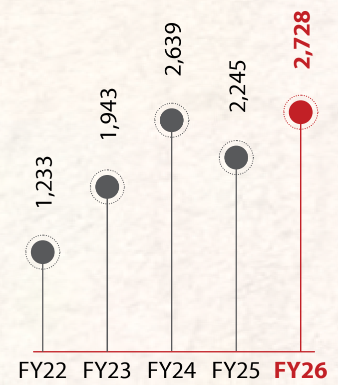
## 2024
Crossed ₹2,500 Crore AUM mark in Feb-24
Entered new states of Telangana, Jharkhand and Karnataka

## 2025
LAP Product launched at across key states of Gujarat, MP and Telangana

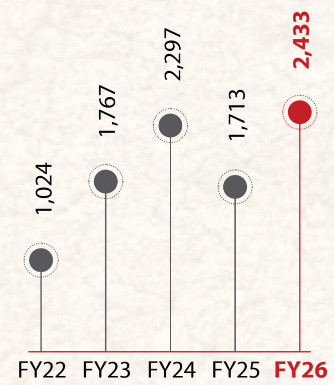
## 2026
Started a Pilot for solar loans across Gujarat
AUM crossed ₹2,700 Crore

*KEY PERFORMANCE INDICATORS*

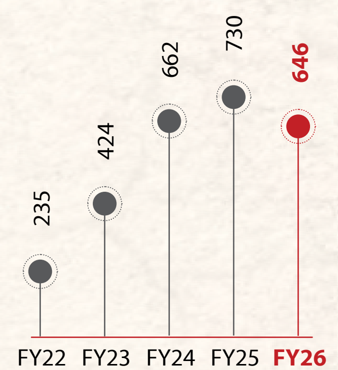
# A POSITIVE PERFORMANCE



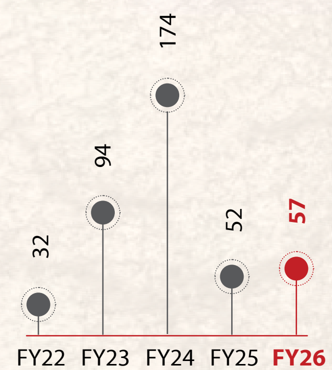

ASSETS UNDER MANAGEMENT
(₹ crore)



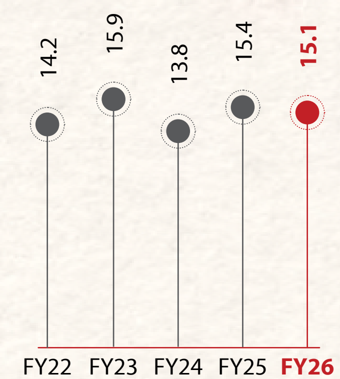

DISBURSEMENT
(₹ crore)



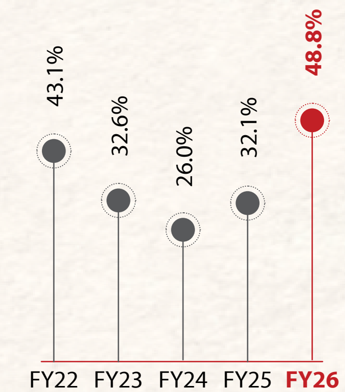

GROSS TOTAL INCOME
(₹ crore)



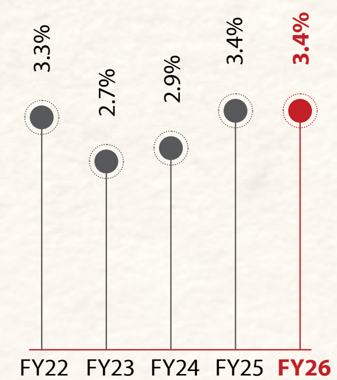

PROFIT AFTER TAX
(₹ crore)



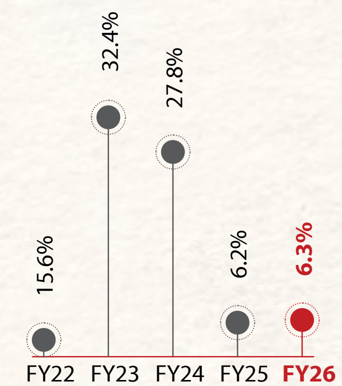

NET INTEREST MARGIN
(%)




COST-TO-INCOME RATIO
(%)




GROSS NPA
(%)




RETURN ON EQUITY
(%)

*TECHNOLOGY*

# How We Lend, Verified

Technology at Arman is not a separate function. It is embedded in how the Company originates, verifies, disburses, collects, and monitors every loan across every product line. Over the past year, the digital infrastructure has been strengthened at each stage of the lending lifecycle.

## Origination and Credit Assessment

The loan origination and management systems are now fully integrated with real-time verification at the point of application. Customer identity is validated through OCR-enabled KYC, facial recognition, OTP authentication, and UPI-based bank account verification. Bureau integrations and rule engines assess creditworthiness at the household level, evaluate risk algorithmically, and flag potential over-indebtedness across products and verticals before a loan is sanctioned.

The outcome is a faster, more informed credit decision. The time between document sourcing and fund disbursement has decreased by approximately 50%.

## Verification and Traceability

Every borrower interaction now carries a digital trail. Geotagging captures the location of field visits. Residence documentation and automated address capture verify the borrower's physical presence. Mobile verification confirms contact authenticity. Property documentation, where applicable, is recorded digitally at source. At the branch level, geofencing defines the operational boundaries within which field teams operate, and audit trails track adherence to defined processes. The system does not rely on reporting alone. It verifies.

## Collections

The collection infrastructure has moved from a field-dependent model to a digitally enabled one. Mobile-based collection tools, personalised UPI QR codes, and instant transaction acknowledgements have made digital repayment the default channel for a growing share of borrowers. Repayment schedule management is handled within the platform, and borrower communication, including reminders and confirmations, is delivered in vernacular languages. The shift is measurable. Cashless collection across the individual loan portfolio now stands at 75-80%, processed through UPI and NACH mandates.

## Loan Lifecycle Management

The digital platform manages the full lifecycle of every loan from disbursement to closure. Utilisation monitoring, repayment tracking, pre-closure simulations, and overdue management are system-driven. Centres and customers are categorised based on repayment behaviour, giving branch and regional teams a real-time view of portfolio health at every level of aggregation.

## Borrower Experience

Disbursements across all products are fully paperless, executed through eSign. Transaction alerts are automated. The Arman Suvidha App (Android) gives borrowers direct access to their account information, repayment schedules, and loan documents at any time. The intent is straightforward: a borrower should be able to understand the status of their loan without visiting a branch or calling a field officer.

## What the Numbers Show

**~50%**
Reduction in turnaround time from document sourcing to disbursement

**Real-time**
Credit assessment and decision support

**100%**
Critical customer checks digitally verified

**End-to-end**
Digital traceability across the borrower lifecycle

**100%**
Cashless disbursements across all products

**24x7**
Borrower access through the Arman Suvidha App

*SUSTAINABILITY*

# CREATING VALUE BEYOND FINANCE

## *Social Responsibility*

The Arman Foundation, a Section 8 charitable trust established in 2021 and registered as a CR Implementing Agency (CSR00018622), has continued to advance its mission of improving healthcare access for underserved communities across India. In partnership with healthcare service provider M-Swasth, the Foundation delivered its Community Healthcare Outreach Initiative during February-March 2026, conducting 191 community health camps across Madhya Pradesh, Rajasthan, Gujarat, Bihar, and Uttar Pradesh, and reaching 23,777 beneficiaries across number of centres with free medical consultations, diagnostic screenings, health education, and essential medicines. The initiative reflects the Foundation's structured five-stage delivery model — community identification, mobilisation, healthcare delivery, health education, and follow-up guidance — ensuring services reached vulnerable groups including women, the elderly, and daily wage workers who typically face the greatest barriers to formal healthcare.

Beyond the immediate delivery of services, the initiative generated measurable social outcomes: early detection of conditions such as hypertension and anaemia, reduced out-of-pocket healthcare expenditure for economically disadvantaged households, and strengthened community trust in formal healthcare systems, with women comprising 46% of beneficiaries. The programme aligns closely with the United Nations Sustainable Development Goals — particularly SDG 3 (Good Health and Well-Being), SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), and SDG 17 (Partnerships for the Goals) - reaffirming Arman Foundation's role as a scalable, partnership-driven model for community-centered healthcare CR delivery across India.




## *Governance Framework*

At Arman Financial Services Limited (Arman), robust corporate governance is the bedrock of our operational resilience, stakeholder trust, and sustainable value creation. Operating in the crucial financial inclusion sector, our Board of Directors, comprising a diverse panel of seasoned industry veterans, provides the strategic oversight necessary to ensure our microfinance, MSME, and two-wheeler lending operations remain highly ethical, transparent, and strictly compliant.

### Board-Level Committees

To ensure granular oversight and specialised focus, the Board operates through key statutory and functional committees. Each committee plays a pivotal role in strengthening our structural integrity and driving long-term stakeholder value.

| Committee | Strategic Focus & Governance Mandate |
|---|---|
| Audit Committee | Oversees the integrity of financial reporting, ensures robust internal control systems, and manages relationships with statutory and internal auditors to guarantee transparency. |
| Nomination & Remuneration Committee | Manages Board and Senior Management composition, performance evaluation, and compensation frameworks, ensuring alignment with shareholder interests and industry benchmarks. |
| Risk Management Committee | Continuously evaluates credit, market, operational, and liquidity risks to ensure asset quality and portfolio resilience across economic cycles. |
| Stakeholders Relationship Committee | Focuses on investor and shareholder interests by ensuring efficient grievance resolution and maintaining transparent communication channels. |
| Asset Liability Management (ALM) Committee | Monitors liquidity profile, interest rate sensitivity, and funding mix to ensure optimal capital allocation and risk-managed growth. |
| Corporate Social Responsibility (CSR) & ESG Committee | Tracks sustainability initiatives and social performance, aligning financial inclusion goals with responsible lending and community development. |
| IT Strategy & Steering Committee | Drives digital transformation while safeguarding lending technology infrastructure and customer data against cyber threats. |

### Compliance, Ethics & Accountability

Operating under the dual oversight of the Reserve Bank of India (RBI) as an NBFC and the Securities and Exchange Board of India (SEBI) as a publicly listed entity, Arman maintains an uncompromised stance on regulatory compliance.

### Zero-Tolerance Ethics & Training

Our comprehensive Code of Conduct strictly prohibits conflicts of interest and mandates that all employees act with the highest level of integrity. To embed these principles into our corporate DNA, we conduct mandatory, regular training programmes across our vast branch network, focusing on:

- Fair Practices Code (FPC) compliance
- Customer data privacy and protection
- Ethical collections and grassroots-level customer interaction

### Vigil Mechanism & Whistleblower Policy

Accountability is maintained through a structured, independent Whistleblower Policy. Employees, field staff, and external stakeholders are empowered to report suspected fraud, ethical breaches, or policy violations without fear of retaliation. All disclosures are treated with strict confidentiality and are reviewed directly by a designated authority with a formal escalation path to the Audit Committee

### Social Performance Management & Financial Inclusion

For Arman, social responsibility is integral to our core business model, with credit access for unserved and underserved segments—particularly rural women entrepreneurs—advancing financial literacy and economic empowerment, while dedicated CSR initiatives and responsible lending practices ensure our growth drives sustainable community development, poverty alleviation and measurable grassroots social impact.

# BOARD OF DIRECTORS

## Alok N. Prasad
***Chairman***

- A veteran banker with over 35 years of experience in regulatory, banking and financial services, holding senior positions at RBI, NHB and Citibank.
- He was the founding CEO of MFIN, the industry body and self-regulatory organisation (SRO) for microfinance institutions (MFIs) in India.
- He has served on numerous committees of the Ministry of Finance, Government of India.

## Jayendrabhai Patel
***Whole-Time Director***

- He has been an entrepreneur for 45 years. He was involved in a pharmacy business in the USA early in his career, followed by running a textile start-up in Gujarat.
- He founded Arman in 1992 and has been at the helm of management since then.
- He is a founding member of the Gujarat Finance Companies Association and currently serves as its Vice Chairman.

## Aalok J. Patel
***Vice Chairman & Managing Director***

- He has 21 years of experience in banking and finance, including 16 years at Arman. Prior to joining Arman, he worked as an independent auditor at KPMG in the US.
- He is a licensed Certified Public Accountant (CPA) from the US. He has also served as a visiting professor at HL College of Commerce and is a guest lecturer at IIM-A. He also currently serves on the Board of Microfinance Industry Network (MFIN).
- He holds a Bachelor's in Accounting & Finance and a Master's in Accountancy from Drake University, USA.

## Yash K. Shah
***Independent Director***

- He is a Chartered Accountant and currently a partner at DBS & Co.
- He is an expert in the fields of mergers and acquisitions and valuations. Prior to DBS, he was at KPMG in the M&A division.
- He has written various papers on domestic transfer pricing and cross-border transactions and also given numerous lectures on the topic of M&A.

## Ritaben J. Patel
***Non-Executive Director***

She holds banking qualifications from First National Bank of Chicago, USA. She has worked with various other US banks, including Golf Mill Bank and Morton Grove Bank, in various capacities for more than a decade. She holds a B.A. in Economics.

## Aakash J. Patel
***Non-Executive Director***

- He has over 25 years of information technology, computer science, and business experience. Currently, he works as a Manager, PMO for Bullhorn Inc
- Prior to that, he worked in various roles such as IT Consulting with Deloitte, software developer at Intellitools, and other companies such as Hewlett Packard, EMC Corporation, Softscape Inc and SumTotals Systems
- He holds an MBA from Bentley College, USA.

## Pinakin S. Shah
***Independent Director***

- An accomplished Company Secretary, Registered Valuer and Insolvency Professional with 40 years of experience.
- He brings a unique blend of legal expertise and financial acumen to the boardroom. Spearheaded Gujarat Lease & Finance Limited (GLFL) for over 2 decades in various senior management roles including Company Secretary, Financial Controller and CEO. He has successfully navigated complex legal landscapes and delivered results in diverse industries.

## Geeta H. Solanki
***Independent Director***

- She is a serial social entrepreneur in women's health, hygiene and social development.
- She co-founded a company that educates and provides women's hygiene care to customers at the bottom of the pyramid.
- She received the 'Bharat Ki Laxmi' award from the Ministry of Women and Child Development and serves as an expert on numerous panels and summits on Women's hygiene.

# MANAGEMENT DISCUSSION AND ANALYSIS

# Navigating India's Dynamic Economic Environment

### Agricultural Stability

India grew at an estimated 7.7% in FY26, placing it among the fastest-expanding large economies in the world. Domestic demand led the way. Private Final Consumption Expenditure (PFCE) rose to 55.7% of GDP, with both urban and rural markets contributing to a broad-based consumption recovery. Investment held equally strong. Gross Fixed Capital Formation (GFCF) expanded 8.2% during FY26, well above the pre-pandemic average of 7.1%. Continued infrastructure spending, a pickup in entrepreneurship and wider participation from the hinterland economy supported this momentum.

Agriculture remained a steady anchor for rural India. The sector grew 3.1% during FY 2025-26 and Agricultural GVA rose to 3.6%, up from 2.7% in FY 2024-25, helped by a favourable monsoon and better farm productivity. Livestock and fisheries added 5–6%, broadening income streams and reinforcing household cash flows.

### Industrial and Non-Farm Expansion

India's industrial sector gained momentum throughout the year. Manufacturing rose 10.7%, surpassing the full-year estimate of 7.0%. The broader industrial base is projected to expand 6.2% in FY 2025-26, up from 5.9% in FY 2024-25. High-frequency indicators such as the manufacturing PMI, IIP and e-way bill volumes confirmed the uptick, feeding into job creation and income diversification across semi-urban and hinterland markets.

### Labour Market and Workforce Participation

India's labour market held firm. Total employment reached 56.2 crores, while the Labour Force Participation Rate improved to 56.1%, and the unemployment rate eased to 4.8%. Female LFPR rose to 35.3%, a clear marker of widening economic inclusion. Progressive formalisation, rising self-employment and an expanding rural workforce are well placed to sustain consumption and borrowing appetite across smaller towns and villages.

### Moderating Inflation

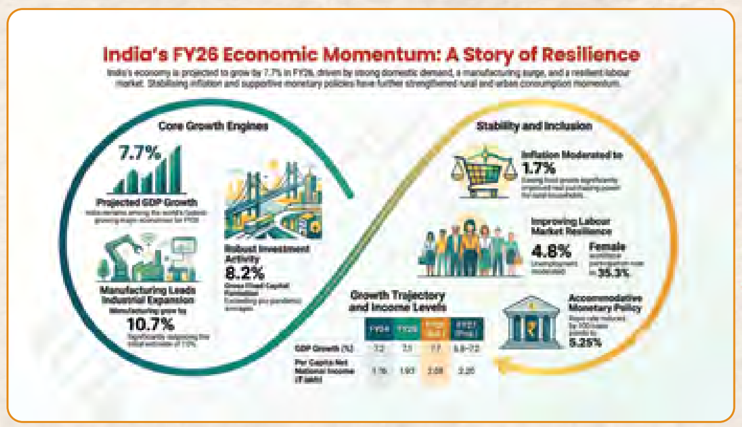
Retail inflation eased sharply, from 4.6% in FY 2024-25 to 1.7% during April–December FY 2025-26. Softening food prices and a stronger harvest season were the principal drivers. For hinterland households, this translated into improved real purchasing power as the prices of vegetables, pulses and spices stabilised. That said, risks from global commodity volatility and currency movements continue to warrant attention.

### Accommodative Monetary Policy

The Reserve Bank of India stayed accommodative through FY26, cutting the repo rate by a cumulative 100 basis points to 5.25% and the Cash Reserve Ratio by 100 basis points to 3.0%. System liquidity remained comfortable, backed by open market operations. Broad money rose 12.1%, and transmission improved, creating favourable borrowing conditions for rural and semi-urban lending markets.

### Outlook

India's economic trajectory remains firm, underpinned by resilient domestic demand, rising investment and strengthening macro fundamentals. Favourable farm output, expanding livelihood opportunities, contained inflation and a supportive monetary stance are set to reinforce cash flows and lending appetite across underserved segments. Deeper financial inclusion, wider digital adoption and the steady mainstreaming of grassroots enterprises open durable opportunities in the microfinance, MSME and individual business lending space.




*(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269286&reg=48&lang=2)*

# Rural India: The Backbone of Inclusive Economic Development

Rural India is central to the country's economic story. It supports a large share of the population and continues to drive agriculture, employment, consumption and small-scale enterprise. What is changing is the character of this economy. Better roads, digital connectivity, wider financial access and the rise of local businesses are creating earning opportunities well beyond the farm gate.

The shift is showing up in how families spend and save. The Ministry of Statistics and Programme Implementation's Household Consumption Expenditure Survey 2023-24 placed average monthly per capita consumption expenditure in rural India at ₹4,122. More recent data confirms the momentum. NABARD's Rural Economic Conditions and Sentiments Survey, conducted in November 2025, found that around 80% of rural households reported higher consumption, while 42.2% reported higher earnings. Nearly 76% expected further improvement over the following year.

### Government Focus: Strengthening the Rural Economy

Public investment is laying the ground. The Union Budget allocation for Rural Development has risen from ₹87,765 crores in FY17 to ₹2.73 lakhs crores in FY27, a jump of over 211%. This spending covers roads, housing, livelihoods, employment and the strengthening of local institutions. Over the past 11 years, around 3.70 crores houses have been built across the hinterland, while the FY27 allocation for PMAY-G stands at nearly ₹54,917 crores. (Press Information Bureau)

The impact goes beyond housing. Better connectivity and infrastructure are bringing villages closer to markets, jobs and formal financial services. They are also making it easier for small enterprises to set up and scale.

### Rising Incomes and Improving Rural Resilience

Household resilience is strengthening. India's multidimensional poverty rate is estimated to have declined to 11.28% in FY23, with around 24.8 crores people moving out of multidimensional poverty between FY14 and FY23. (NITI Aayog) Lower inflation and a stronger farm season have bolstered purchasing power. The Economic Survey 2025-26 noted that agricultural performance lifted rural consumption, while hinterland inflation fell below urban levels during 2025. (Press Information Bureau) Together, these shifts are reinforcing family finances and creating a more favourable backdrop for savings, consumption and productive borrowing.

### Digitalisation Deepening Financial Inclusion

Technology is reshaping how the hinterland accesses financial services. Aadhaar, Direct Benefit Transfers, digital payments and expanding banking networks have made transactions faster and simpler. Digital records are also helping bring families and businesses into the formal economy.

The SVAMITVA Scheme illustrates this well. By August 2026, drone surveys had covered 3.30 lakhs villages and 3.24 crores property cards had been prepared. These cards establish clearer ownership and are increasingly accepted as collateral for institutional loans. More than 11,000 loans worth ₹1,713 crores have already been disbursed against SVAMITVA property cards. (Press Information Bureau)

For lenders operating in these markets, the expanding digital and formal infrastructure improves customer identification, credit assessment, collections and reach into previously underserved pockets.

### Women at the Centre of Rural Enterprise

Among the most significant shifts in rural India is the rising economic participation of women. Under DAY-NRLM, more than 10 crores women have come together through more than 90 lakhs Self-Help Groups. These groups form a powerful grassroots network for savings, credit, livelihoods and enterprise. (Press Information Bureau)

Formal finance has followed. By February 2026, women SHGs had accessed cumulative institutional bank credit of over ₹12 lakhs crores since the inception of DAY-NRLM. (Press Information Bureau) Women are moving beyond household roles towards becoming borrowers, earners and entrepreneurs in their own right.

### Rural Livelihoods are Becoming More Diverse

The village economy is steadily diversifying beyond agriculture. Small businesses, trade, services, manufacturing, transport and other local ventures are emerging as important sources of livelihood. The shift was visible in FY26, with the share of hinterland employment in both secondary and tertiary sectors rising in the January-March 2026 quarter. (Press Information Bureau)

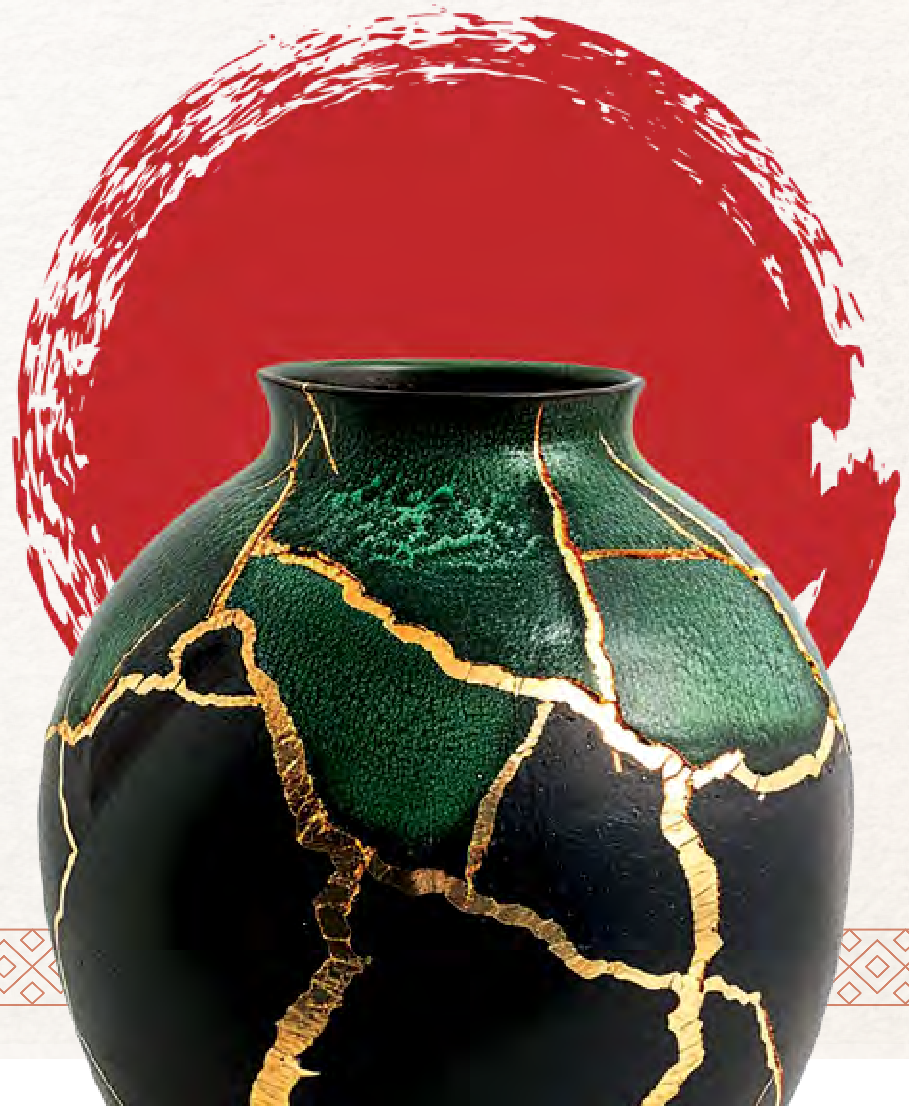
Government programmes supporting skilling, self-employment and entrepreneurship are reinforcing this transition. As families develop multiple sources of earnings, their financing needs are evolving: from traditional microcredit towards individual business loans, working capital, asset finance and other productive credit products.

### Expanding Opportunity for Rural Finance

Taken together, these shifts are reshaping India's rural credit landscape. Rising consumption, better infrastructure, deeper digital penetration, the formalisation of assets, women-led enterprise and the spread of non-farm livelihoods are all expanding the need for organised and responsible finance.

For Arman Financial Services Limited, this presents a sizeable, long-term opportunity. The Company's presence across microfinance, MSME lending and individual business loans places it close to the customers who are driving this change.

As the hinterland moves from basic financial inclusion to active financial participation, customer needs are evolving as well. Borrowers increasingly seek credit to build enterprises, acquire productive assets and raise family incomes. This widening requirement gives Arman a strong platform to deepen customer relationships while supporting the broader economic progress of rural and semi-urban India.





# A credit ecosystem coming of age.

India's credit market is broadening. For years, formal loans favoured salaried earners with collateral and documented histories. That is changing. Aadhaar, UPI, GST and digital payment trails are making more borrowers visible. Banks, NBFCs and MFIs are reaching deeper into smaller towns and villages.

A stronger borrowing culture is emerging alongside. Borrowers recognise that timely repayment opens doors in the future. Lenders can see more of a customer's cash flows and repayment patterns. Loan decisions are gradually shifting from collateral alone towards earning capacity and behaviour.

### RBI: widening the market

The Reserve Bank of India has shaped this shift with a balanced approach: widen access, insist on responsible practice. This matters especially as formal credit reaches first-time borrowers with modest and variable incomes.

The revised Priority Sector Lending (PSL) framework, effective April 1, 2025, raised several eligible loan limits, broadened renewable-energy coverage and expanded the definition of weaker sections. For the microfinance ecosystem, eligible bank lending to NBFC-MFIs for onward lending retains priority-sector classification, subject to prescribed conditions. This preserves an important funding channel for institutions that serve borrowers at the last mile.

### Using technology to make credit easier to access

The Unified Lending Interface (ULI) connects lenders to multiple borrower-data sources through a single standardised framework, making loan assessment faster and more affordable. This is especially relevant for agriculture, MSME and other small-ticket segments where documentation has traditionally been a bottleneck.

A borrower with limited paperwork can still have a verifiable economic history through digital transactions and business records. Over time, this allows more small entrepreneurs, farmers and rural households to enter the formal system and build a track record.

### Better credit information, better lending

From January 2025, lenders report borrower data to Credit Information Companies every fortnight rather than every month. Repayments and fresh borrowings now reflect sooner in a customer's record. A disciplined borrower's track record updates faster. A lender gets a more current view of outstanding obligations. In microfinance, where customers often borrow from more than one institution, faster data helps manage exposure and protect portfolio quality.

### Making digital lending more responsible

The Digital Lending Directions, 2025 strengthened transparency safeguards. Borrowers can now clearly see the lender identity, loan amount, annual percentage rate and tenure upfront. Interfaces are required to present terms fairly, with honest design and full disclosure. This matters for the long term. True inclusion means customers understand what they are borrowing, what it costs and what they commit to repay. Responsible lending and informed borrowing develop best in tandem.

### From financial inclusion to credit inclusion

India spent the past decade building the foundations of financial inclusion: bank accounts, identity infrastructure and digital payments. The next step is converting that access into meaningful access to formal credit, particularly for agriculture and micro and small enterprises. The National Strategy for Financial Inclusion 2025-30 provides the longer-term framework: an ecosystem where more individuals and small businesses establish a track record and progressively access a wider range of financial products.

### FY2026-27: the next phase

FY2026-27 should bring India closer to intelligent inclusion. Better data, richer digital footprints and platforms such as ULI will help lenders assess customers who were traditionally expensive to serve. Stronger underwriting standards will shift the emphasis from the volume of disbursements to the quality of the loan book.

For NBFCs and MFIs, this is a significant opening. Banks bring capital and scale. Digital infrastructure brings speed and data. NBFCs and MFIs bring the ability to understand customers at the last mile. In rural and semi-urban India, technology makes operations more efficient, while local knowledge and human engagement remain essential.

The ecosystem is evolving on two parallel tracks: expanding reach and strengthening discipline. As more households and small businesses join, responsible practice, appropriate loan sizes and stronger repayment histories can create a virtuous cycle, taking borrowers from a first formal loan towards a deeper, more enduring relationship with the financial system.

# Rural Women: Powering India's Inclusive Growth

In most Indian villages, the woman is the first to wake and the last to rest. She runs the home. She holds the family together. And increasingly, she is the one generating a second income, managing savings and making financial decisions that shape the household's future. This triple role, as a home builder, a home binder and an economic participant, is at the heart of rural India's transformation.

## A Large and Established Financial Ecosystem

India has built one of the world's largest women-focused financial inclusion networks. Under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), more than 10 crores rural women have been mobilised into around 90 lakhs Self-Help Groups (SHGs).

This infrastructure has brought millions of women into formal finance. It has encouraged regular savings, institutional borrowing and greater financial awareness. By February 2026, women SHGs had accessed cumulative bank credit of more than ₹12 lakhs crores since the inception of DAY-NRLM.

Microfinance has deepened this reach by delivering small-ticket loans directly to women at the doorstep. Over time, rural women have matured into an established and disciplined borrower base, supported by strong community networks and a growing culture of responsible credit.

## From Borrowers to Income Creators

The real shift is in how this credit is being put to work. Across rural India, women are channelling finance into dairy and livestock rearing, agriculture, food processing, tailoring, handicrafts, small retail shops and a range of local services. These businesses may start small. They create regular income, diversify the family's livelihood base and give the woman a voice in the household's financial decisions.

As the venture grows, so does her role. She moves from borrower to earner, and from earner to entrepreneur.

The trend shows in the data. Rural female labour force participation has risen significantly over the past several years, driven in part by self-employment and greater involvement in productive work. This represents a meaningful expansion of the rural economy's productive base.

## Stronger Women. Stronger Households.

The impact of a woman's economic participation is felt first and most deeply at home. A steady second income gives the family greater financial breathing room. It can mean better nutrition for children, more consistent school attendance, timely healthcare, improved housing and the purchase of productive assets. It also helps the family build savings and absorb unexpected expenses without disrupting daily cash flows.

The benefits carry forward. Better-fed, better-educated children have wider opportunities. The family's standard of living improves gradually but visibly.

A loan extended to a rural woman, in other words, does far more than fund a venture. It strengthens the home she is building. It reinforces the bonds she holds together. And it lifts her family's quality of life.

## Stronger Households Build Stronger Villages

When this plays out across thousands of homes, it begins to reshape the village economy. A woman running a dairy unit purchases feed and inputs locally. A small shop generates demand for goods and distribution. A tailoring business buys fabric and equipment. A food-processing unit sources produce from neighbouring farms. As these enterprises grow, they also open employment for others in the community. The money from these activities circulates within the local economy, supporting shops, services, transport and other livelihoods.

A women-led enterprise produces a multiplier effect: it reinforces household earnings, stimulates local demand and generates broader economic momentum across the village.

## A Natural Progression in Credit Needs

As a rural woman's economic role deepens, her financial requirements evolve with it. The journey may begin with a small microfinance loan for a dairy or tailoring venture. As it matures, she may need more working capital, equipment, a two-wheeler or a larger individual loan. Over time, a successful microfinance borrower can graduate towards a more established and independent enterprise.

This opens an important avenue for rural-focused financial institutions. The next phase of inclusive finance is about bringing more women into formal credit and about supporting existing borrowers as their enterprises, earnings and aspirations grow.

## Powering India's Inclusive Growth

The economic progress of rural women has implications well beyond the lending market.

India's villages are home to a vast pool of entrepreneurial talent. Greater access to finance, markets, skills, infrastructure and digital tools can enable millions of women to participate more actively in the economy. As their earnings rise, families consume more, businesses expand, and local economies strengthen.

For Arman, rural women represent far more than a customer segment. Through its microfinance business, the Group participates in their economic journey at the grassroots level, supporting productive activities that generate sustainable household income.

The potential grows as the customer grows. A woman may begin with a small loan, build a livelihood, improve her family's financial position and gradually develop the need for larger and more varied financial products.

This is what a virtuous cycle looks like: finance enables enterprise, enterprise generates earnings, earnings strengthen homes, and stronger homes build more prosperous communities.

At scale, this cycle positions rural women as one of the most powerful contributors to India's consumption, entrepreneurship and economic progress. Their story is the story of India's inclusive growth.

# India's Microfinance Sector: Resetting for Sustainable Growth

India's microfinance industry entered FY26 after several years of rapid expansion. That expansion considerably widened formal credit access among rural and low-income households. Along the way, it also created pockets of borrower overleveraging, multiple lending and weakening repayment discipline.

FY26 became a year of course correction. Lenders tightened underwriting, pulled back on stressed borrowers and sharpened their focus on collections and portfolio quality.

The numbers tell the story. The overall microfinance portfolio came down from around ₹3.75 lakhs crores in March 2025 to approximately ₹3.38 lakhs crores by March 2026. Disbursements slowed, borrower accounts fell as institutions became more selective, and by December 2025, MFIN estimated that nearly 50 lakhs customers had exited formal microfinance during the correction. At the same time, early signs of recovery were evident: PAR 31–90 days improved to 1.6% in December 2025, down from 3.2% a year earlier.

## Understanding the FY26 Stress

Underlying demand for small-ticket rural credit remained strong throughout. The stress arose from imbalances that had built up during the preceding growth cycle.

The most prominent of these was borrower over-indebtedness. In several mature markets, customers had active relationships with multiple lenders. Some also carried unsecured retail or digital loans outside the microfinance ecosystem altogether. This raised household repayment obligations and blurred visibility into a borrower's true leverage.

A related challenge was accurately assessing household income. Microfinance borrowers typically earn through informal, seasonal and multiple livelihood channels, making documentary verification inherently difficult. Sa-Dhan has highlighted that income assessment remains a sector-wide challenge because earnings are largely informal, and lenders have experienced higher rejection rates when applying the 50% household repayment obligation requirement.

The industry also faced collection and asset-quality pressures, particularly in geographies that had seen rapid credit growth. Local disruptions and policy-related uncertainty in some states added to operating complexity. Geographic concentration remains an inherent risk, with a few large markets accounting for a substantial share of overall industry exposure.

A fourth pressure during FY26 was the availability of wholesale funding, particularly for smaller and mid-sized MFIs. MFIN described the environment as a "funding winter", with tight liquidity restricting the ability of smaller institutions to disburse even while underlying demand held firm. The result was an uneven landscape: larger NBFC-MFIs, banks and NBFCs were better positioned to resume lending, while smaller players remained constrained.

## RBI Framework: Greater Emphasis on Borrower Capacity

The regulatory framework has evolved steadily towards borrower-capacity-based lending, moving beyond the earlier model of prescribed loan sizes and interest-rate ceilings.

Under the RBI's Regulatory Framework for Microfinance Loans, a microfinance loan is a collateral-free loan to a household with annual income of up to ₹3 lakhs. The critical safeguard: the household's total monthly repayment obligations, including all microfinance and other outstanding loans, are capped at 50% of the household's monthly income. Regulated entities must assess household income, obtain credit information and evaluate the household's total debt obligations before extending fresh credit.

Customer protection is embedded in the framework. Lenders must follow Board-approved pricing policies, disclose the Annual Percentage Rate and all applicable charges through a Key Facts Statement, provide borrowers with appropriate documentation in a language they understand and maintain fair-practice standards for collections and customer conduct.

In June 2025, the RBI gave NBFC-MFIs additional operating flexibility. The minimum qualifying microfinance asset share was reduced from 75% to 60% of total assets, freeing institutions to allocate a larger share of their balance sheets to other permitted lending segments. This is strategically significant: greater product diversification builds resilience across credit cycles and reduces concentration in any single-borrower category.

Separately, the RBI rationalised risk weights on bank microfinance exposures in February 2025. Consumer-credit-classified microfinance loans were assigned a 100% risk weight; eligible regulatory-retail loans were assigned a 75% risk weight. The intent was to balance prudential rigour with continued availability of credit to the sector.

## Industry Guardrails: Tightening the Credit Discipline

Alongside the regulatory framework, MFIN introduced Guardrails 2.0, a set of additional prudential standards for its members.

Key provisions include capping a borrower at three microfinance lenders, maintaining a ₹2 lakhs ceiling on combined microfinance and unsecured retail indebtedness, and restricting fresh disbursements to borrowers with significant overdue balances. The framework also mandates stronger KYC validation, more frequent bureau reporting and tighter standards around processing fees and pricing.

These are industry self-regulatory measures, distinct from the RBI's statutory 50% repayment-obligation ceiling. Together, however, the two frameworks are driving the sector towards a shared objective: lending anchored in the customer's repayment capacity.

### Short-Term Outlook: Recovery with Discipline

The near-term outlook is best described as gradual normalisation rather than an immediate return to high growth.

The improvement in early-stage delinquencies during FY26 suggests that tighter underwriting, reduced multiple lending and stronger collection discipline are beginning to yield results. Institutions are likely to remain selective in FY27, particularly in districts where borrower leverage or historical delinquency remains elevated.

Funding availability will shape the pace of recovery. Large, well-capitalised NBFC-MFIs with diversified funding relationships, strong collections and robust technology-led underwriting are likely to stabilise more quickly. At the same time, smaller institutions may remain constrained by liquidity and the cost of funds.

Accordingly, portfolio quality, borrower retention and collection efficiency will take precedence over aggressive balance-sheet growth. Expansion should resume progressively as stressed cohorts work through the system and lenders regain confidence in portfolio behaviour.

### Medium-Term Outlook: Structural Opportunity Remains Strong

Look past the current correction, and the fundamental opportunity in microfinance remains substantial.

The sector today operates within a far more mature institutional architecture than it did a decade ago. Credit bureaus, Aadhaar-based identification, bank-linked disbursements, stronger regulatory oversight and industry-wide underwriting standards have materially improved the infrastructure around small-ticket lending. MFIN estimates the ecosystem serves around 65 million low-income households.

Demand for productive credit remains deep across rural India. Women-led ventures, livestock activities, agriculture-linked businesses, small retail establishments, services and household enterprises all require small-ticket working capital and livelihood finance. For a large proportion of these borrowers, microfinance remains the first and most accessible bridge to organised credit.

The next phase of sector growth is therefore likely to be more measured, data-led and increasingly diversified. Stronger lenders will combine traditional group-based microfinance with individual loans and livelihood-linked products, making greater use of bureau analytics, digital underwriting and household-level cash-flow assessment. The reduction in the NBFC-MFI qualifying-asset threshold to 60% supports this evolution, allowing institutions to diversify their portfolios while retaining their core financial-inclusion franchise.

The FY26 correction is best understood as an important reset in the industry's development, one that should leave the sector on stronger foundations.

The immediate priority is portfolio repair and responsible credit deployment; the medium-term opportunity is to build a broader, stronger and more sustainable rural lending franchise. Institutions that combine deep customer understanding with conservative underwriting, geographic diversification, strong collections and adequate capitalisation are positioned to emerge from this cycle in a stronger place.

### *Microfinance Disbursement Trends Across Lending Institutions*

| Quarter | Total Disbursement (₹ crores) | Banks Share (%) | NBFC-MFIs Share (%) | NBFCs Share (%) | SFBs Share (%) |
|---|---|---|---|---|---|
| Q1 FY26 | 52,084 | 24 | 43 | 15 | 13 |
| Q2 FY26 | 54,484 | 27 | 47 | 15 | 14 |
| Q3 FY26 | 61,627 | 26 | 48 | 14 | 14 |
| Q4 FY26 | 77,555 | 26 | 48 | 12 | 14 |

*Sources*
*https://www.cnbctv18.com/business/finance/microfinance-disbursements-fall-asset-quality-all-time-record-levels-equifax-ws-l-19894636.htm*
*https://www.business-standard.com/industry/banking/nbfc-mfis-drive-sharp-rise-in-microfinance-originations-in-q4-report-126050801209_1.html*



## From Group Loans to Individual Credit: The Next Step

India's microfinance sector has done something remarkable. It has brought millions of women into the formal financial system. These women now have borrowing histories, strong repayment records and a growing role in household and business finances. As of March 2026, the industry served around 5.5 crores unique borrowers. The vast majority are women. This is one of the largest pools of financially active women in the country.

Within this pool, something interesting is happening.

A growing number of women have completed several microfinance loan cycles. They have built solid repayment track records and developed steadier incomes. Many now run small but real businesses in dairy, livestock, food processing, tailoring, retail and local services. As these businesses grow, the standard group loan may no longer be enough.

This opens a natural next step: moving from group borrowing to individual credit. These are not first-time borrowers. Many have years of repayment data recorded with lenders and credit bureaus. This gives lenders a clear view of their borrowing behaviour, repayment habits and existing debt levels. The goal is not just to give a bigger loan. It is to identify women whose financial strength and business needs call for a move to individual credit.

The sheer size of the customer base makes this significant. There are 5.5 crores live microfinance borrowers in India. Even a modest share of the market qualifying for individual loans translates into a large addressable market. For these borrowers, individual loans can offer bigger, more flexible funding for working capital, equipment, business expansion and other productive needs.

The recent correction in the microfinance sector makes this opportunity stronger. Lenders are tightening their underwriting. They are using credit bureau data more actively and paying closer attention to household debt levels. This helps them distinguish between overleveraged borrowers and those with stronger credit profiles. As portfolio quality stabilises, lenders with deep customer relationships and sound credit processes will be better placed to spot the right borrowers within their own franchise.

The regulatory environment supports this shift. In June 2025, the RBI lowered the minimum microfinance asset requirement for NBFC-MFIs from 75% to 60% of total assets. This gives NBFC-MFIs more room to diversify their loan books and develop products suited to customers ready to move beyond traditional microfinance.

For lenders, this is a chance to deepen ties with proven customers, diversify their portfolios and grow the lifetime value of each relationship. For women borrowers, it opens the door from small livelihood loans to larger, business-grade credit. The relationship between the borrower and the lender can now grow alongside the borrower's progress.

This could well be the next chapter in India's microfinance story: a shift from financial inclusion to financial advancement. The opportunity is to find the right borrower at the right stage and provide credit that matches her growing capacity and ambition. Today's successful microfinance borrower can become tomorrow's individual entrepreneur. That is the bridge between access to credit, enterprise building and lasting rural prosperity.

# MSMEs: Sustaining India's Next Phase of Growth

India's MSME sector contributes 31.1% of GDP, 35.4% of manufacturing output and 48.58% of exports. Over 7.47 crores enterprises employ about 32.8 crores people, making the sector the country's largest source of jobs after agriculture. MSMEs create livelihoods, support local supply chains and take growth deeper into the Indian economy. Their strength will be critical to sustaining consumption, employment and inclusive development across the country.

### Deeply Embedded in Rural and Emerging India

The sector's relevance is especially strong outside the major cities. Millions of small businesses operate across trading, local manufacturing, transport, services and agri-allied activities. They are built with modest capital, employ people from within the community and reinvest their earnings locally. As incomes rise and economic activity spreads to smaller towns, these enterprises will play a larger role in meeting local demand and building more stable household incomes.

### A Stronger Policy and Formalisation Push

The Government has steadily strengthened the ecosystem around these businesses. Udyam and Udyam Assist are bringing informal enterprises into the formal economy and improving their access to priority-sector lending. Credit guarantee support under CGTMSE, PMEGP, PM Vishwakarma and the Self-Reliant India Fund is encouraging entrepreneurship and easing access to finance. Digital platforms such as GeM and TReDS are improving market access, payment visibility and working-capital flows. The Union Budget FY27 has carried this momentum forward with a dedicated ₹10,000 crores SME Growth Fund, an additional ₹2,000 crores for the Self-Reliant India Fund and wider use of TReDS for MSME payments by Central Public Sector Enterprises. Together, these measures aim to help viable businesses formalise, strengthen their capital base, receive payments faster and grow into larger enterprises.

### The Credit Gap Remains the Central Constraint

Despite this progress, finance remains the biggest constraint on MSME growth. SIDBI estimates the addressable credit gap at about ₹30 lakhs crores. Smaller enterprises often struggle to obtain timely funding because they have limited collateral, short credit histories or uneven cash flows. Many continue to depend on informal sources of finance, particularly for working capital. This can hold back their ability to buy inventory, add equipment, take larger orders or manage seasonal demand.

### A Significant Opportunity for Arman

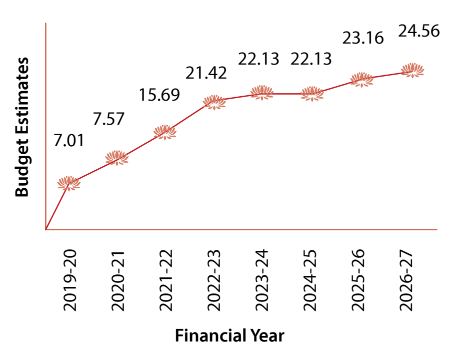
This gap creates a large and enduring opportunity for specialised MSME financiers. Formalisation and digital transaction trails are making more small businesses visible to lenders. Yet serving them still requires local understanding, close customer engagement and underwriting that looks beyond conventional collateral. Arman's deep presence in rural and semi-urban markets gives it a natural advantage in identifying viable enterprises, understanding their cash flows and offering appropriate credit solutions. As existing customers build stronger repayment records and expand their operations, their funding needs grow from small livelihood loans to larger business and asset-backed credit. This creates the potential for deeper, longer customer relationships. By combining reach, disciplined underwriting and responsible lending, Arman can help close a critical financing gap while participating in the growth of one of India's most important economic sectors.

**MSME Sector at a Glance**

| GDP Contribution | Exports Share | Manufacturing Output | Total Enterprises | Employment |
|---|---|---|---|---|
| 31.1% | 48.58% | 35.4% | 7.47 crores | 32.8 crores |

*Source: Economic Survey 2025–26*

**Budgetary Outlay of Ministry of MSME**
(in ₹ thousand crores)




*Sources: Economic Survey 2025-26; Union Budget 2026-27; SIDBI Annual Report 2024-25.*
*https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=157367&ModuleId=3&reg=3&lang=1*
*https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260904&reg=3&lang=1*



# SWOT Analysis

## Strengths

### Deep Rural Penetration and Financial Inclusion

Microfinance institutions (MFIs) have built a strong grassroots presence across rural and semi-urban India, enabling access to formal credit for underserved and first-time borrowers. Their extensive distribution networks position them as key enablers of financial inclusion and rural economic participation.

### Supportive Regulatory and Banking Ecosystem

The Reserve Bank of India (RBI) continues to strengthen sector governance through prudent regulatory frameworks focused on responsible lending, borrower protection and portfolio transparency. In addition, Priority Sector Lending (PSL) norms ensure steady funding support for NBFC-MFIs.

## Weaknesses

### Asset Quality Pressures and Elevated NPAs

The sector has witnessed stress due to borrower overleveraging and rapid credit expansion in certain geographies, leading to higher delinquency levels and elevated provisioning requirements for several lenders.

### Dependence on Unsecured Lending Models

Microfinance portfolios remain largely unsecured, making them vulnerable to local economic disruptions, agricultural volatility and borrower cash-flow instability.

### Funding Cost Sensitivity

Many small and mid-sized MFIs remain dependent on bank borrowings for liquidity. Tightening credit conditions or higher borrowing costs can impact margins and operational flexibility.

### Operationally Intensive Business Model

High-touch customer acquisition, field collections and branch-led servicing increase operational costs, especially in geographically dispersed rural markets.

## Opportunities

### Expansion in Rural and Tier-III/Tier-IV Markets

Large underpenetrated markets across rural India continue to offer significant growth potential for microfinance, affordable MSME lending and rural enterprise financing.

### Digital Transformation and Data-Led Lending

Increasing digital adoption, fintech integration and access to credit bureau data are helping lenders improve underwriting, strengthen collections and enhance borrower assessment capabilities.

### Growth in Women Entrepreneurship and Rural MSMEs

Government-led initiatives promoting women-led enterprises, SHGs, rural livelihoods and the formalisation of micro enterprises are expanding the addressable borrower ecosystem for microfinance lenders.

### Diversification Beyond Microcredit

MFIs are increasingly expanding into secured lending, MSME finance, insurance distribution and affordable housing finance, enabling portfolio diversification and stronger long-term sustainability.

## Threats

### Macroeconomic and Regional Disruptions

Agricultural stress, inflationary pressures, climate-related disruptions and local economic slowdowns can directly impact borrower repayment capacity in rural markets.

### Intensifying Industry Competition

Banks, Small Finance Banks (SFBs), fintechs and NBFCs are increasingly targeting the same borrower segments, resulting in pricing pressure and customer overlap.

### Political and Social Sensitivities

Localised political interventions, expectations of loan waivers and social disruptions in certain states can adversely affect repayment discipline and collection efficiency across the sector.

# Company Overview

Arman Financial Services Limited is a registered Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) focused on serving underbanked rural and semi-urban customers across India. Established in 1992 and headquartered in Ahmedabad, the Company follows a conservative, risk-focused lending model with an emphasis on portfolio quality, disciplined underwriting, and sustainable growth.

The Company serves the financing needs of customers in rural and semi-urban India through a range of lending products. Its wholly owned subsidiary, Namra Finance Limited, focuses on microfinance, offering both group-based loans (JLG) and individual microfinance loans. The parent company, Arman, provides MSME loans, two-wheeler finance, Loan Against Property and rooftop solar financing.

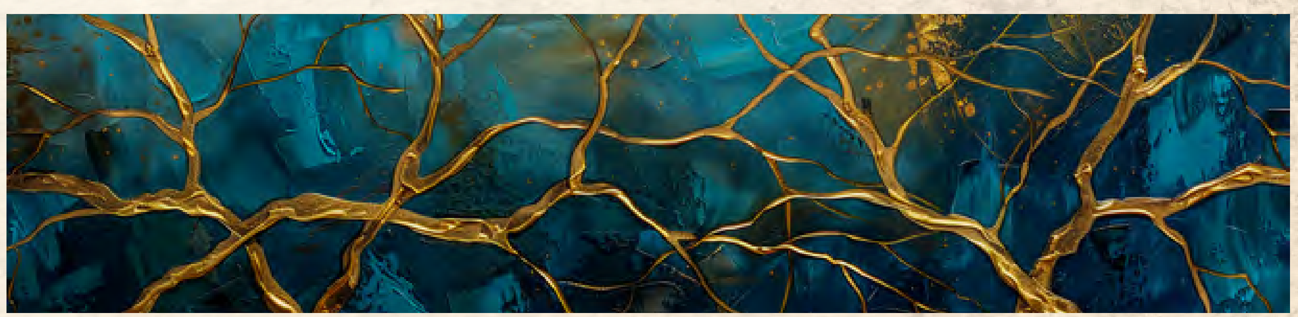
The business is built on a strong understanding of rural markets and close relationships with customers. Its local presence is supported by technology and an experienced in-house team, enabling the Company to understand customer needs, process loans efficiently and provide reliable service. During FY26, Arman focused on stabilising its microfinance portfolio, improving collection discipline and expanding relatively resilient MFI (Individual Business Loans) and non-MFI segments (MSME and LAP). With a consolidated AUM of ₹2,728 crores and an active customer base of approximately 6.3 lakhs, the Company continues to strengthen its role as a rural and semi-urban credit provider while maintaining a cautious approach towards asset quality and borrower selection.

### *Revenue Split*

| Business Segment | Revenue (₹ crores) | Contribution (%) |
|---|---|---|
| Microfinance | 428.7 | 66.4 |
| MSME Loans | 168.6 | 26.1 |
| 2-Wheeler Loans | 21.3 | 3.3 |
| Loan Against Property (LAP) | 14.1 | 2.2 |
| Other | 13.2 | 2.0 |
| **Total** | **645.9** | **100.0** |

### *AUM Split*

| Business Segment | AUM (₹ crores) | Contribution (%) |
|---|---|---|
| Microfinance (including IBL) | 1,998.56 | 73.26 |
| MSME Loans | 554.14 | 20.32 |
| 2-Wheeler Loans | 93.87 | 3.44 |
| Loan Against Property (LAP) | 80.72 | 2.96 |
| Solar (Pilot) | 2.15 | 0.08 |
| **Total** | **2,728.43** | **100.0** |





# Business Segment Performance

## Microfinance

The microfinance segment of Arman Financial Services is operated through its wholly owned subsidiary, Namra Finance Limited. This segment focuses on providing small-ticket loans primarily to women in rural and semi-urban areas for income-generating activities such as livestock, dairy and kirana stores.

In addition to its core group-lending model, Namra operates an Individual Business Loan vertical that extends credit to women entrepreneurs through a separate underwriting structure. This is a distinct credit line running parallel to the traditional MFI model, a differentiation that few microfinance institutions have historically pursued.

# A

## MICROFINANCE THROUGH THE JLG MODEL

### Operating Model

- High-touch customer engagement and a monthly collection model supporting strong borrower relationships and repayment discipline.
- Strong rural and semi-urban focus, with nearly 90% of the portfolio concentrated in underpenetrated markets, significantly higher than the industry average
- Conservative and risk-calibrated lending framework focused on portfolio quality and sustainable growth
- Fully cashless disbursement model ensuring operational transparency and efficient fund transfers.
- Joint Liability Group (JLG)-based lending structure fostering community accountability and credit discipline
- Regular loan utilisation checks to ensure end-use monitoring and deployment towards income-generating activities
- Controlled and bottom-up growth strategy aligned with regional demand assessment and prudent risk management practices.

### Performance in FY 2025-26

During FY 2025-26, the microfinance segment moved from a phase of sector-wide stress towards gradual stabilisation. The Company adopted a cautious approach towards disbursements, strengthened borrower selection and focused on improving collection discipline while staying aligned with industry guardrails on borrower indebtedness and lender exposure.

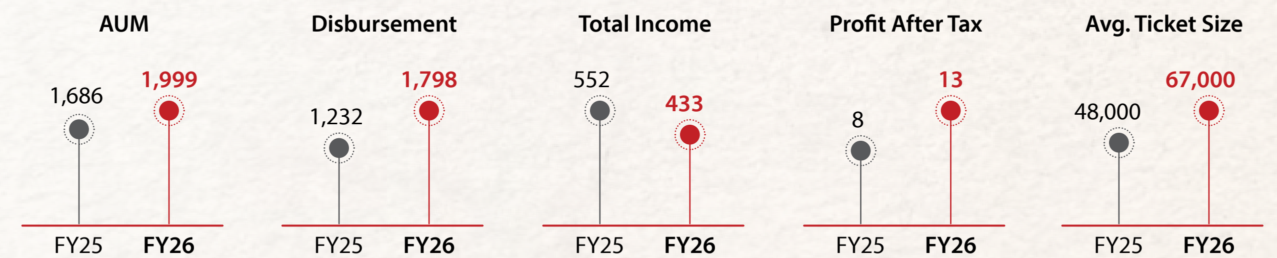
The segment reported AUM of ₹1,999 crores and disbursements of ₹1,798 crores during FY 2025-26. Total income stood at ₹433 crores, while Profit After Tax improved to ₹13 crores. Asset quality also showed signs of stabilisation, with GNPA at 3.40% and NNPA at 0.95%.

The recovery was supported by stronger field monitoring, separation of credit and recovery responsibilities, increasing digital collections and expanded CGFMU coverage. The Company also continued to build Individual Business Loans within the microfinance portfolio, enabling selective transition towards individualised lending for stronger borrowers with better repayment histories.

The Company's focus remains on calibrated growth, portfolio quality and borrower discipline rather than aggressive expansion. This approach is expected to support a more resilient microfinance franchise over the medium term.

### Business Snapshot FY 2025-26

(₹ Crores)




### Key Ratios (FY26)

| | | |
|---|---|---|
| Yield: 22.72% | NIM: 13.68% | ROAA: 0.70% |
| GNPA: 3.40% | NNPA: 0.95% | ROE: 2.00% |



# B

## INDIVIDUAL BUSINESS LOANS

The IBL segment serves high-quality, long-tenured borrowers whose financing needs have outgrown conventional group lending. Underwriting is based on individual cash-flow assessment and credit behaviour rather than uniform group-based criteria.

### Operating Model

- Strategic transition from traditional Joint Liability Group (JLG) lending towards an individualised lending framework
- Focused on retaining high-performing and long-tenured borrowers with evolving credit requirements
- Individual borrower assessment based on cash flows, business stability, repayment behaviour and FOIR analysis rather than group-based underwriting
- Dedicated Branch Credit Manager (BCM) model separating underwriting and recovery functions to strengthen accountability and credit evaluation.
- Selective customer onboarding with a preference for borrowers with strong repayment histories and established credit profiles
- Higher-ticket business loans designed to support growing micro-enterprises and repeat borrowers
- Increased emphasis on cashless collections and digital loan processing to improve operational efficiency
- Technology-enabled underwriting supported by eSign, instant bureau integrations and algorithm-based risk assessment tools
- Calibrated disbursement strategy focused on portfolio quality, lower delinquencies, and sustainable long-term growth.

### Performance in FY 2025-26

The Individual Business Loan (IBL) segment emerged as one of the fastest-growing portfolios for Arman Financial Services during FY 2025-26, reflecting the Company's strategic shift towards individualised and higher-ticket microfinance lending. The segment's Assets Under Management (AUM) expanded sharply to ₹712.12 crores by FY 2025-26, increasing its contribution to the consolidated portfolio mix to nearly 26.10%.

Supported by MSME-style underwriting, selective borrower acquisition and higher average ticket sizes of around ₹98,000, the business focused on serving quality borrowers with strong repayment histories. Backed by the Branch Credit Manager (BCM) framework, digital processes and calibrated disbursement strategies, the IBL portfolio continued to strengthen Arman's diversification strategy while positioning itself as a key long-term growth driver beyond the traditional JLG model.

### Business Snapshot FY 2025-26

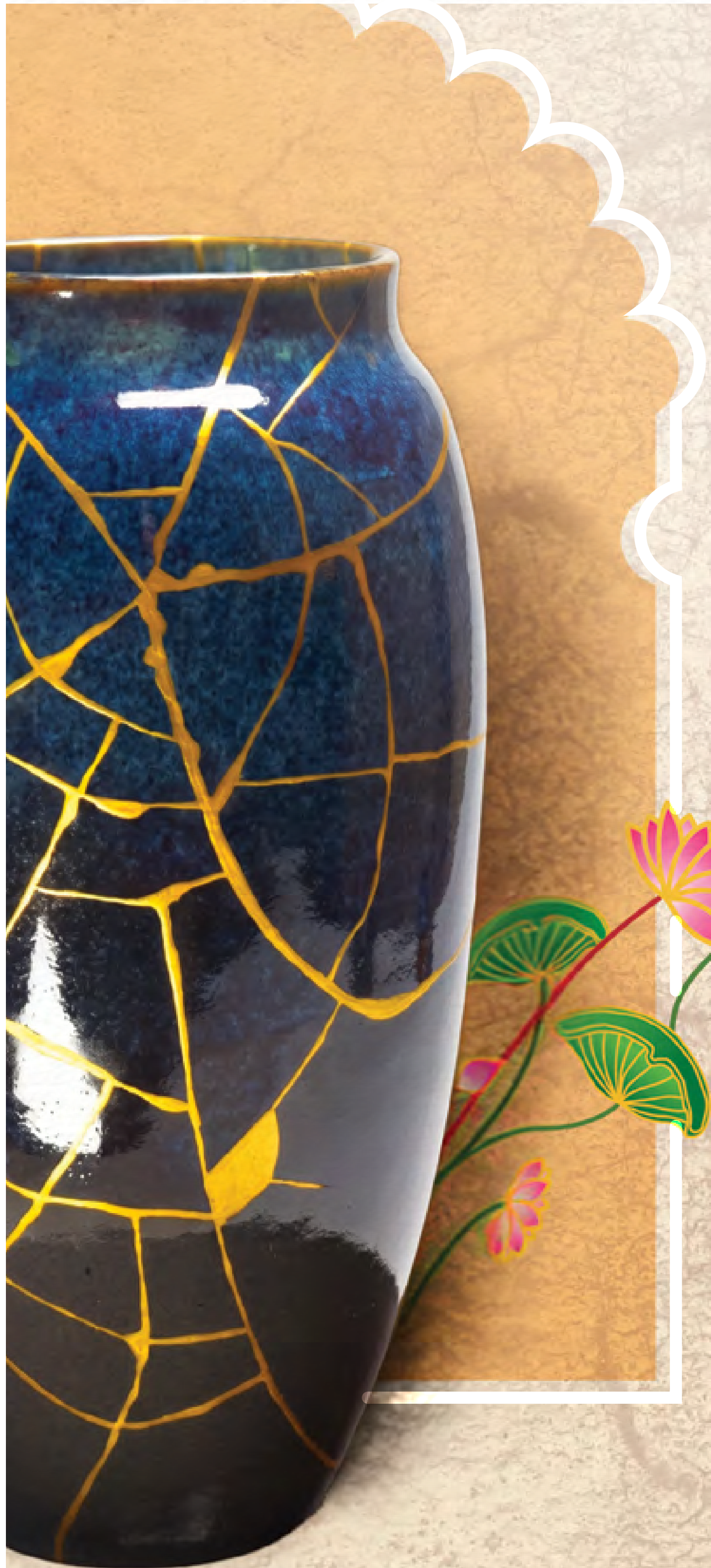
**₹712.12 cr**
AUM

**26.10%**
Proportion of Consolidated AUM

**₹771.80 cr**
Disbursement in FY 2025-26

**₹98,000**
Average Ticket Size

**₹36.94 cr**
Total Income



# MSME Loans

The MSME segment is a core growth vertical for Arman Financial Services Limited, focused on enterprise and working-capital loans for small rural and semi-urban businesses. Operated through the standalone entity, the segment builds on Arman's deep understanding of local markets, customer cash flows and informal business ecosystems. During a period of stress in the broader microfinance sector, MSME loans continued to support portfolio diversification and helped strengthen the Company's non-MFI lending base.

## Operating Model

- Key growth vertical focused on financing rural and semi-urban micro and small enterprises
- Provides enterprise and working capital loans to small business owners, traders, and self-employed borrowers
- Operates through the standalone Arman Financial Services entity
- Strong presence in underpenetrated and low-competition markets
- Supported by prudent underwriting practices and disciplined risk management
- Higher ticket sizes and better customer retention support portfolio stability
- Contributes meaningfully to profitability with relatively stronger asset quality
- Acts as a strategic diversification engine within the Company's lending portfolio
- Focused on deeper penetration into underserved entrepreneurial ecosystems

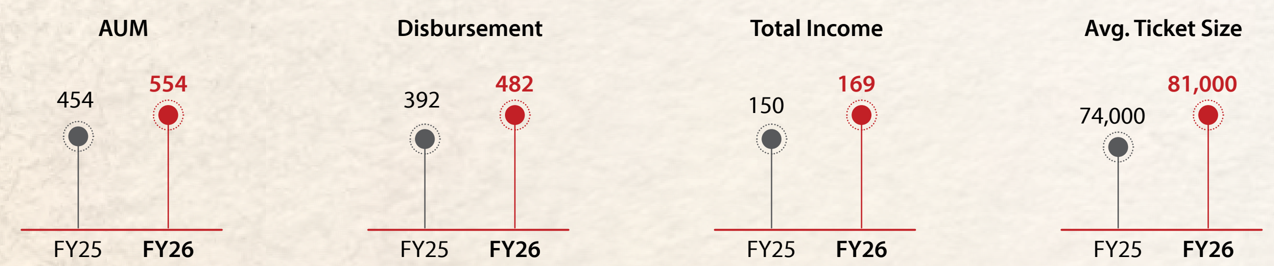
## Performance in FY 2025-26

During FY 2025-26, Arman Financial Services Limited's MSME segment continued to support portfolio diversification and remained an important contributor to the Company's non-MFI lending strategy. The segment maintained steady momentum in portfolio expansion, with Assets Under Management (AUM) increasing to ₹554.14 crores by March 2026, accounting for 20.31% of the consolidated AUM. Disbursements grew consistently, reaching ₹482.16 crores during FY 2025-26, supported by calibrated expansion across rural and semi-urban markets.

The segment continued to deliver strong profitability metrics, with yields remaining healthy at around 33.58%, reinforcing its position as one of Arman's highest-return lending verticals. Asset quality also remained stable, with Gross NPA improving sequentially to 3.84% in March 2026, while collection efficiency remained robust at approximately 96.39%, reflecting disciplined underwriting and strong customer engagement. Operationally, the Company strengthened its branch network to 122 branches across seven states and continued to expand into new geographies, including Uttar Pradesh. Simultaneously, Arman accelerated digital adoption across the MSME business, with 100% cashless disbursements and increasing usage of digital collection channels such as UPI and E-NACH mandates. Supported by its conservative credit appraisal framework, in-house sourcing model, and focus on customer cash-flow assessment, the MSME segment remained well-positioned to drive sustainable, quality-led growth.

## Business Snapshot FY 2025-26

(₹ Crores)




## Key Ratios (FY26)

**GNPA: 3.84%** | **Yield: 33.58%** | **NNPA: 0.85%**

# Other Segments

## 1. 2-Wheeler Loans

The two-wheeler (2W) loan segment of Arman Financial Services is a legacy specialised lending vertical housed under the standalone entity, Arman, focusing on hypothecation (secured) loans for self-employed or cash-salaried customers in the informal retail segment. The business currently operates exclusively in Gujarat through a network spanning over 50 dealerships across Ahmedabad, Gandhinagar and several Tier-III and Tier-IV locations. The segment primarily caters to self-employed and cash-income borrowers, supporting mobility-led livelihood generation in underpenetrated markets. Going forward, the Company sees strong growth potential driven by increasing finance penetration in rural India, deeper dealer relationships and opportunities for gradual geographic expansion into new markets.

### Operating Model

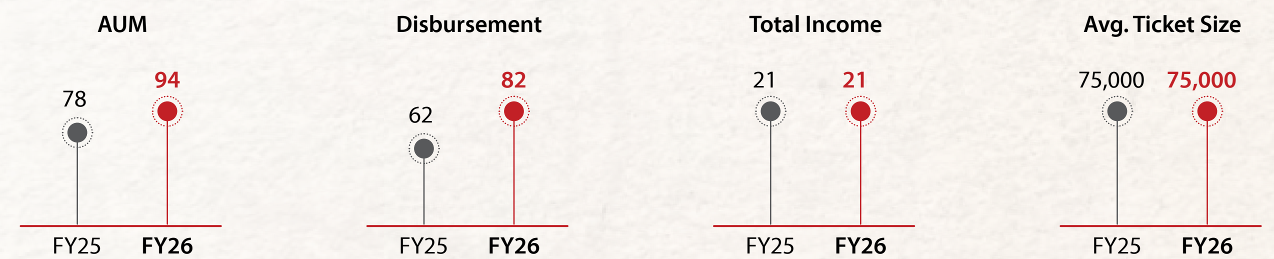
- Focused on delivering faster loan approvals and turnaround timelines to enhance customer experience and dealer efficiency.
- Strong and longstanding relationships with dealers support sourcing strength and market penetration.
- Operates through a completely in-house 'feet-on-street' collection model, enabling disciplined recovery management and stronger portfolio control.

### Performance in FY2025-26

Arman Financial Services' two-wheeler loan segment delivered decent growth, supported by strong rural demand, festive-season momentum, and disciplined collection practices. The portfolio expanded to ₹93.87 crores by March 2026, contributing 3.44% to the consolidated AUM. The segment continued to generate healthy yields of 26.68%, reflecting its profitable operating model. Asset quality also improved sequentially, with GNPA moderating to 3.95% by March 2026 from higher levels earlier in the year, while collection efficiency remained stable at around 97.75%.

### Business Snapshot FY 2025-26

(₹ Crores)




### Key Ratios (FY 2025-26)

**GNPA: 3.95%** | **Yield: 26.68%** | **NNPA: 1.66%**

India's two-wheeler financing market continues to witness strong momentum, supported by rising rural mobility demand, premiumisation trends and rapid digital adoption. The sector is benefiting from increasing demand for high-value motorcycles, with lenders offering higher Loan-to-Value (LTV) financing and longer repayment tenures to improve affordability. Simultaneously, the growing electric vehicle (EV) ecosystem is creating opportunities for specialised financing solutions bundled with value-added services. Expansion into tier-2, tier-3 and rural markets through fintech partnerships and alternate credit assessment models is further enhancing financial inclusion. In addition, digitised onboarding, Aadhaar-based e-KYC and AI-driven underwriting are significantly reducing turnaround times and improving customer acquisition efficiency across the lending ecosystem.



## 2. LAP Loans

Arman Financial Services' Loan Against Property (LAP) segment is a strategic secured lending vertical designed to diversify the Company's portfolio mix and strengthen long-term balance sheet stability. The business primarily serves self-employed customers in Tier-III, Tier-IV, and smaller markets, addressing the credit needs of underserved borrowers who often lack access to formal financing channels. Structured as a secured MSME lending product backed by residential or commercial property, the segment follows a conservative underwriting approach with prudent loan-to-value ratios and rigorous income assessment practices. By focusing on secured retail lending with longer repayment tenures, the Company aims to build a stable and resilient portfolio while reducing dependence on unsecured microfinance lending.

The LAP portfolio has moved beyond its initial pilot phase. It is now being expanded in a calibrated manner across select geographies where the Company has operating familiarity, customer understanding and underwriting comfort. The product is being scaled through a conservative approach, supported by detailed property evaluation, income assessment, field verification and disciplined credit approval processes.

### Operating Model

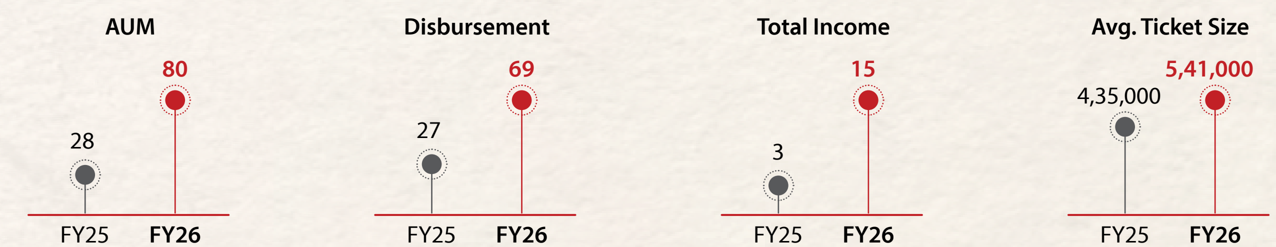
- Conservative lending approach with prudent Loan-to-Value (LTV) parameters to strengthen portfolio security
- Comprehensive credit bureau verification, combined with a detailed legal and technical evaluation of the collateral property
- Practical assessment of borrower cash flows and Fixed Obligation to Income Ratio (FOIR) to ensure repayment capacity
- End-to-end in-house field investigations, property appraisals and customer assessments to maintain underwriting quality
- Centralised credit approval framework enabling uniform decision-making, stronger governance and enhanced risk management controls

### Performance in FY 2025-26

The Loan Against Property (LAP) segment emerged as a steadily growing and strategically important secured lending vertical for Arman Financial Services during FY26. The segment's Assets Under Management (AUM) expanded significantly by 185% to ₹79.72 crores by March 2026, with its contribution to consolidated AUM increasing to 2.96% by FY26. Cumulative disbursements during FY26 stood at ₹69.03 crores, while the portfolio delivered a healthy yield of 24.36%. The business maintained exceptional asset quality, with GNPA remaining contained at just 0.74% in March 2026, supported by fully digital collections and a conservative underwriting framework. With average ticket sizes of around ₹5.41 lakhs, prudent LTV norms and strong operational synergies with the MSME network, the LAP segment continues to strengthen Arman's secured lending portfolio and long-term balance sheet resilience.

### Business Snapshot FY 2025-26

(₹ Crores)




### Key Ratios (FY 2025-26)

**GNPA: 0.74%** | **Yield: 24.36%** | **NNPA: 0.32%**

India's Loan Against Property (LAP) market is witnessing strong growth opportunities, particularly in the high-yielding micro-LAP segment catering to MSMEs and self-employed borrowers across Tier-2, Tier-3 and rural markets. Rising demand for small-ticket secured loans below ₹10 lakhs is driving NBFC participation, as underserved businesses seek working capital and expansion funding. The sector is further supported by increasing economic activity in smaller towns, where borrowers often lack formal income documentation. Lenders are increasingly adopting alternative underwriting models using digital transactions, cash-flow analysis and non-traditional data sources to evaluate creditworthiness. Additionally, the graduation of microfinance borrowers into secured retail lending is creating a strong long-term opportunity for micro-LAP products.

**3. Rooftop Solar Financing**

Arman Financial Services launched its solar loan pilot in November 2025 as part of its broader strategy to diversify into sustainable and future-ready financing solutions. The product is designed to facilitate the adoption of rooftop solar systems among households and small businesses in rural and semi-urban markets. Initially introduced across select regions in Gujarat, the segment focuses on financing clean energy adoption through flexible repayment structures. The loans have an average ticket size of around ₹2 lakhs, with repayment tenures ranging from 12 to 60 months, enabling customers to access affordable renewable energy solutions while supporting long-term sustainability initiatives.

**Operating Model**

- Focused on rooftop solar financing for rural and semi-urban customers
- Pilot project launched in selected Gujarat markets
- Targets households and small businesses
- Flexible repayment tenures ranging from 12 to 60 months
- Dedicated in-house green energy team for operations
- Conservative underwriting and risk assessment framework
- Experimental rollout model to evaluate scalability and repayment behaviour
- Leverages existing rural distribution network for customer outreach

India's rooftop solar financing market is witnessing strong momentum in 2026, driven by the PM Surya Ghar Muft Bijli Yojana and increased government budgetary support for solar deployment. Financing opportunities are expanding across residential, commercial and MSME segments through collateral-free green loans and flexible repayment structures. Rising adoption of OPEX-based solar models by commercial and industrial customers is accelerating demand for structured project financing and green bonds. Specialised NBFCs are increasingly targeting semi-urban and under-served markets with tailored solar lending solutions. Supportive policies such as net metering, subsidy-backed installations and streamlined approvals are further strengthening growth prospects and improving repayment visibility for lenders.



# Financial Performance

Despite sector-wide stress in the microfinance industry, Arman Financial Services demonstrated resilience through disciplined underwriting, calibrated growth and sustained operational efficiency during FY26.

- Gross Total Income decreased 12.0% year-on-year to ₹645.9 crores, reflecting a calibrated disbursement strategy in the previous year as the company prioritised portfolio quality during a challenging credit cycle.
- Net Income (Profit after tax) grew 8.7% year-on-year to ₹56.6 crores, reflecting healthy operating momentum and significantly lower impairment costs compared to the previous year.
- Pre-Provisioning Operating Profit (PPOP) stood at ₹225.6 crores (a 32.3% year-on-year decrease), as the Company continued to invest in people and technology to strengthen its long-term capabilities.

**Asset Quality & Risk Management**

The Company continued to strengthen its collection, monitoring, and underwriting mechanisms, resulting in sequential improvement in portfolio quality.

- Gross NPA improved to 3.43% as of March 31, 2026 (compared with 4.13% in Q3 FY25), reflecting stronger recovery and collection efficiencies across all segments.
- The Company maintained a cautious provisioning stance, with total provisions and write-offs amounting to ₹148.3 crores during FY26.
- Provision coverage remained robust at 2.8% of consolidated AUM and 3.3% of on-book AUM, reinforcing balance sheet resilience against future contingencies.

**Capital Position**

Arman Financial Services continued to maintain a strong capital foundation to support long-term growth and business expansion.

- The standalone entity reported a Capital-to-Risk-Weighted Assets Ratio (CRAR) of 27.86%, significantly above regulatory requirements.
- Namra Finance maintained a strong capital profile, with a CRAR of 41.01%, providing adequate headroom for future lending growth while preserving financial stability.

# Key Ratios

| Particulars | Consolidated FY26 | Consolidated FY25 | Standalone FY26 | Standalone FY25 | Consolidated Change | Standalone Change | Remarks |
|---|---|---|---|---|---|---|---|
| Debtors Turnover | NA | NA | NA | NA | NA | NA | |
| Inventory Turnover | NA | NA | NA | NA | NA | NA | |
| Interest Coverage Ratio | NA | NA | NA | NA | NA | NA | |
| Current Ratio | NA | NA | NA | NA | NA | NA | |
| Debt Equity Ratio | 1.90 | 1.41 | 1.14 | 0.70 | 34.75% | 62.86% | Due to increase in leverage |
| Operating Profit Margin (%) | NA | NA | NA | NA | NA | NA | |
| Net Profit Margin (%) | 8.76% | 7.13% | 18.69% | 23.74% | 22.86% | -21.27% | Due to Increase in debt |
| Return on Net Worth (RoNW) | 6.06% | 5.96% | 6.42% | 7.37% | 1.68% | -12.89% | Due to decrease in Profit |

# Risk Management

At Arman, risk management is an enterprise-wide, continuous process embedded across organisational, functional, and branch-level operations. The Company has established a comprehensive framework to proactively identify, assess, mitigate, and monitor risks. This structured approach supports capital protection, reputational integrity, and informed decision-making, thereby strengthening long-term organisational resilience.

| Risk Category | Nature of Risk | Mitigation Strategy |
|---|---|---|
| **Compliance Risk** | Exposure arising from non-adherence to evolving regulatory requirements, potentially impacting business continuity and brand reputation. | Regulatory developments are continuously tracked by the Risk function to ensure timely alignment. IT-enabled systems generate alerts for upcoming compliance requirements, ensuring proactive adherence. Integrated MIS frameworks support timely and accurate regulatory reporting. Compliance adherence remains a key governance priority, periodically reviewed by senior management and the Board. |
| **Collection Risk** | Risk of customer repayment defaults impacting asset quality and financial performance. | Borrower assessment frameworks are customised across business segments to ensure accurate credit evaluation. A strong field force engages continuously with customers to support disciplined repayment behaviour and improve cash flow management. Ongoing enhancements in operational processes are expected to further strengthen collection efficiency and portfolio quality. |
| **Borrower Overleveraging and Sector Stress Risk** | Elevated borrower indebtedness, multiple lender exposure and stress in certain rural pockets may affect repayment behaviour and portfolio quality. | The Company mitigates this risk through tighter borrower selection, adherence to SRO guardrails, bureau checks, household cash-flow assessment, controlled growth targets and continuous portfolio monitoring. Moreover, the Company has created a separate credit vertical, which removes the historical conflict of interest between sales and credit. |
| **Growth Risk** | Challenges associated with sustaining high growth rates over an expanding base. | The Company's core business is anchored in India's rural economy, which continues to receive policy and developmental support from the Government. Multiple growth-oriented revenue verticals provide diversification and medium-to-long-term expansion potential. |
| **New Product and Scale-up Risk** | Expansion of LAP, IBL, two-wheeler, and solar financing may create underwriting, operational, documentation and collection risks if scaled too quickly. | The Company follows a calibrated expansion approach, with product-level pilots, separate credit appraisal processes, field investigations, digital collections, and geography-wise performance monitoring before wider rollout. |

| Risk Category | Nature of Risk | Mitigation Strategy |
|---|---|---|
| **Product Concentration Risk** | High reliance on the microfinance segment (over 70% of portfolio), creating exposure to sector-specific volatility. | Structural demand for credit in underserved segments, supported by favourable demographics, underpins long-term sector growth. The Company is actively expanding MSME and individual loan portfolios, which are expected to enhance diversification and contribute meaningfully to profitability over the next 3–5 years. |
| **Geographic Concentration Risk** | Concentration of operations in limited geographies, potentially constraining scalability, and diversification. | The Company has expanded its presence from 5 states in FY17 to 11 states in FY25, steadily broadening its operational footprint. Expansion is undertaken in a calibrated manner, ensuring deep understanding of local socio-economic conditions prior to scaling. Existing microfinance presence is being leveraged to cross-sell and expand other business verticals. |
| **Funding Risk** | Dependence on external funding sources to support growth and business expansion. | A strong repayment track record of 34 years has reinforced lender confidence and strengthened funding relationships. The Company's robust capital adequacy, healthy financial profile and strong credit standing enable access to diversified funding channels. |
| **Interest Rate and Liquidity Risk** | Changes in borrowing costs, liquidity conditions or lender appetite may affect margins, funding availability and growth plans. | The Company manages this risk through diversified borrowing relationships, strong capital adequacy, prudent ALM monitoring, securitisation/direct assignment opportunities and disciplined liability management. |
| **IT Risk** | Potential limitations in technology infrastructure affecting operational scalability and efficiency. | The Company has significantly strengthened its technology ecosystem through integrated platforms covering Loan Origination- System (LOS), Loan Management Systems (LMS) and accounting systems, enabling seamless operational integration. HRMS systems support end-to-end employee lifecycle management across a workforce exceeding 4,800 employees. Continued investments in technology modernisation remain a strategic priority to enhance scalability, efficiency and productivity. |

# Human Resources

At Arman Financial Services Limited, people remain the cornerstone of sustained organisational performance and long-term value creation. The commitment, discipline and execution focus of its workforce continue to drive business momentum and support the Company's growth ambitions, while reinforcing a culture anchored in accountability, innovation, and operational excellence.

Human capital development is a strategic priority. The Company is committed to continuously strengthening workforce capabilities through structured learning interventions, skill enhancement initiatives and leadership development programmes. These efforts are designed to deepen domain expertise, build managerial capacity, and establish Arman as a learning-oriented organisation that promotes continuous knowledge enrichment.

The Human Resources function serves as a key strategic enabler, focusing on attracting, developing, and retaining high-quality talent across the organisation. HR processes are aligned with business objectives to ensure workforce effectiveness, scalability, and long-term capability building.

Given the operational nature of the business, particularly exposure to cash-handling activities, the Company places strong emphasis on employee safety and operational risk mitigation. Robust internal protocols and safeguards are implemented to ensure secure working conditions and minimise operational risks across field operations.

Arman continues to foster a performance-oriented culture that recognises merit and encourages high standards of delivery. At the same time, the organisation remains committed to building an inclusive and supportive workplace environment where employees are treated with respect, provided equal opportunity, and empowered to contribute meaningfully to organisational outcomes.

# Internal Control System and Its Adequacy

Robust internal controls are fundamental to effective risk management and the integrity of financial reporting. Arman Financial Services Limited has implemented a comprehensive internal financial control framework that is well-aligned with the scale, complexity, and nature of its operations.

The Company maintains strong and efficient control systems that are continuously reviewed to ensure adherence to all statutory and regulatory requirements. Oversight by the Audit Committee plays a critical role in periodically evaluating the effectiveness of these controls, with a clear focus on financial accuracy, risk mitigation and governance standards. Through disciplined processes, transparent accounting practices and a culture of compliance, Arman reinforces trust among stakeholders, ensures the reliability of its financial disclosures and supports long-term financial stability.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, plans or outlook may constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to various factors, including changes in economic conditions, regulatory requirements, interest rates, liquidity conditions, borrower repayment behaviour, asset quality trends, rural economic conditions, competition, credit costs, taxation and other internal or external factors. The Company assumes no obligation to publicly amend, modify or revise any forward-looking statements based on subsequent developments, information, or events.



# CORPORATE INFORMATION

**BOARD OF DIRECTORS**

- Mr. Alok N. Prasad
  Chairman
- Mr. Aalok J. Patel
  Vice Chairman and Managing Director
- Mr. Yash K. Shah
  Independent Director
- Mrs. Ritaben J. Patel
  Non- Executive Director
- Mr. Aakash J. Patel
  Non- Executive Director
- Ms. Geeta Haresh Solanki
  Independent Director
- Mr. Pinakin S. Shah
  Independent Director

**BOARD COMMITTEES**

**Audit Committee**

Mr. Yash K. Shah
Chairman
Mr. Aalok J. Patel
Member
Mr. Alok N. Prasad
Member
Mr. Pinakin Shah
Member

**Stakeholders Relationship Committee**

Mr. Alok N. Prasad
Chairman
Mr. Yash K. Shah
Member

**Nomination and Remuneration Committee**

Mr. Pinakin S. Shah
Chairman
Mr. Yash K. Shah
Member
Mr. Alok N. Prasad
Member
Mrs. Ritaben J. Patel
Member

**Corporate Social Responsibility Committee**

Ms Geeta Haresh Solanki
Member
Mr. Pinakin Shah
Member

Late Shri Jayendrabhai Patel served as Whole-Time Director up to August 25, 2026 – Demised on August 25, 2026.

**CHIEF FINANCIAL OFFICER**
Mr. Vivek A. Modi

**COMPANY SECRETARY**
Mr. Uttam Patel

**STATUTORY AUDITOR**
M/s Laxminiwas & Co.

**SECRETARIAL AUDITOR**
M/s GKV & Associates

**INTERNAL AUDITORS**
M/s GBP & Associates

**REGISTERED OFFICE**
502-503, Sakar-III,
Opp. Old High Court,
Off. Ashram Road,
Ahmedabad-380014, Gujarat
Ph.: 079-40507000; 27541989
E-Mail: finance@armanindia.com; secretarial@armanindia.com
Website: www.armanindia.com

**REGISTRAR & SHARE TRANSFER AGENT**
Bigshare Services Private Limited
Office No. 303, Sun Square Complex, Near Chakradhari Society Bus Stop, Girish Cold Drinks, C.G. Road, Navrangpura,Ahmedabad,Gujarat,380009 Contact No. 079 – 49196459, 022-6263 8200, 08069219060, 08069219061, 08069219065
E-mail: marketing@bigshareonline.com, investor@bigshareonline.com bssahd@bigshareonline.com
Website: www.bigshareonline.com

**DEBENTURE TRUSTEES**
Catalyst Trusteeship Limited
IDBI Trusteeship Services Limited
Vardhaman Trusteeship Private Limited

# NOTICE

Notice is hereby given that the **34th Annual General Meeting (AGM)** of Shareholders of Arman Financial Services Limited will be held on Monday, September 28, 2026 at 12:00 P.M. (IST) through Video Conferencing /Other Audio-Visual Means ('VC/OAVM'), to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Financial Statements as at 31st March, 2026 including the Audited Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated Financial Statements as at 31st March, 2026 including the Audited Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss for the year ended on that date and reports of the Auditors thereon.

3. To appoint a Director in place of Mr. Aalok Jayendrabhai Patel (DIN: 02482747) as Director who retires by rotation and being eligible, offers himself for re-appointment.

**Note:** In view of the sad demise of Late Shri Jayendrabhai Bhailalbhai Patel on August 25, 2026, Item in respect of retirement by rotation and re-appointment of the Shri Jayendrabhai Bhailalbhai Patel has been withdrawn from the AGM notice. The factual details as contained in the director's report and the annexures approved by the board on August 12, 2026, shall remain as it is.

Place: Ahmedabad
Date: August 25, 2026

By Order of the Board of Directors
For, **Arman Financial Services Limited**

**Aalok Jayendra Patel**
Vice Chairman & Managing Director
DIN: 02482747

**Registered Office:**
502-503, Sakar III,
Opp. Old High Court,
Off Ashram Road,
Ahmedabad 380014 Gujarat
(CIN: L55910GJ1992PLC018623)
Phone: + 91 79 40507000
Website: www.armanindia.com
Email Id: secretarial@armanindia.com

**NOTES:**

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated May 5, 2020 read with circular nos. 14/2020 and 17/2020 dated April 8, 2020, April 13, 2020 and General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. All the members of the Company are encouraged to attend and vote at the AGM through VC / OAVM.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to secretarial@armanindia.com



6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://armanindia.com/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. Mr. Gautam Virsadiya, Practicing Company Secretary (Membership No. F12366) has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.

9. The Scrutinizer shall submit a consolidated Scrutinizer's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Vice Chairman & Managing Director of the Company. The Vice Chairman & Managing Director, or any other person authorised by him, shall declare the result of the voting. The result declared along with the consolidated Scrutinizer's Report shall be simultaneously placed on the Company's website www.armanindia.com and on the website of NSDL and communicated to the BSE Limited and National Stock Exchange of India Limited.

10. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

11. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on secretarial@armanindia.com at least 10 days before the date of the meeting to enable the management to respond appropriately.

12. Regulation 40 of the Listing Regulations, as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

    Further SEBI vide its circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares.

    Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. It also substantially reduces the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

13. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company's Registrars and Transfer Agent (RTA). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

    During the year 2025-26, the Company has transferred 7500 equity shares to the demat account of IEPF Authority.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")**, the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2026 on its website www.armanindia.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

14. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at www.armanindia.com.

    Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialized form and to the Company / RTA in case the shares are held by them in physical form.

15. As required in terms of Secretarial Standard - 2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Director recommended for appointment / re-appointment in the AGM has been provided in the explanatory statement to the Notice.

16. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities vide master circular no HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, as amended from time to time. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at www.armanindia.com.

    Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

17. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participants and members holding shares in physical mode are requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at www.armanindia.com.

    Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature, shall be eligible to get dividend only in electronic mode. Further, SEBI has introduced the ODR Portal to streamline and strengthen the existing dispute resolution mechanism in the Indian Securities Market. With introduction of this mechanism, there will be enhanced degree of regulatory supervision of SEBI over disputes between aggrieved parties. The ODR order is binding on the parties involved in the dispute.

18. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting:

    - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.
    - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.

19.. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:

    - Members holding shares in physical form - Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
    - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.

20. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.





**21. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on Thursday, September 24, 2026 at 09:00 A.M. and ends on Sunday, September 27, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2026.**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| | |
|---|---|
| | 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on :**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |



**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5.. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   1. Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   2. **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   3. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   4. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8 Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to gkvandassociates@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@armanindia.com .

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@armanindia.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

   Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@armanindia.com. The same will be replied by the company suitably.

5. Those Members who have registered themselves as a speaker will only be allowed to express their views /ask questions during the AGM. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.

Place: Ahmedabad
Date: August 25, 2026

By Order of the Board of Directors
For, **Arman Financial Services Limited**

**Aalok Jayendra Patel**
Vice Chairman & Managing Director
DIN: 02482747

**Registered Office:**
502-503, Sakar III,
Opp. Old High Court,
Off Ashram Road,
Ahmedabad 380014 Gujarat
(CIN: L55910GJ1992PLC018623)
Phone: + 91 79 40507000
Website: www.armanindia.com
Email Id: secretarial@armanindia.com

**INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT**

Details of the Directors seeking appointment / re-appointment at the 34th Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard -2 are provided below:

Mr. Aalok Patel, Vice Chairman and Managing Director: who retires by rotation and being eligible, offers himself for re-appointment.

| Particulars | Retire by Rotation |
|---|---|
| Name of Director | Mr. Aalok Jayendra Patel |
| DIN | 02482747 |
| Date of Birth (Age) | August 02, 1984 (42 Years) |
| Relationships with other Directors | Son of Late Mr. Jayendrabhai Bhailalbhai Patel (Whole-time Director) & Mrs. Ritaben Jayendrabhai Patel (Non-Executive Director); and Brother of Mr. Aakash Jayendra Patel (Non-Executive Director) |
| Date of first appointment | January 01, 2007 |
| Expertise / Brief Resume | **Expertise:** Accounts & Finance<br>**Brief Profile:** Mr. Aalok Patel currently serves as Vice Chairman & Managing Director of the Company. He has over 20 years of experience in financial services, strategy, and execution. Since joining the Company in a full-time leadership role in 2010 as an Executive Director, he has been actively involved in shaping long-term strategy and driving execution across business verticals.<br>Over the past 16 years, he has played a central role in strengthening lending frameworks, professionalizing management processes, driving technology adoption, and building scalable operating platforms. He has been instrumental in expanding the Group's microfinance and MSME portfolios, supporting geographic diversification and business growth while maintaining a strong focus on credit quality, operational efficiency, and capital discipline.<br>He has also contributed significantly to business development initiatives, capital raising efforts, and engagement with lenders, investors, and other key stakeholders, supporting the Company's sustained growth and institutional evolution.<br>Mr. Patel completed his schooling at The Lawrence School, Sanawar, and pursued his higher education at Drake University, USA, graduating with High Honors with bachelor's and master's degrees in Accountancy and Finance. He is a licensed Certified Public Accountant in the United States. He began his professional career with KPMG in the United States, where he worked for nearly four years as an independent auditor serving large multinational clients in the financial services sector. |
| Remuneration | As per the resolution passed by the shareholders through Postal Ballot dated April 10, 2026.<br>For the details related to remuneration drawn during the year 2025-26, please refer Corporate Governance Report forming part of the Annual Report. |
| Qualification | B.S. Accounting & Finance; M.S. Accountancy, Certified Public Accountant (USA) |
| No. of Equity Shares held | 2,47,809 |
| Terms and conditions of appointment/re-appointment | Mr. Aalok Jayendra Patel was re-designated as a Vice Chairman & Managing Director from Joint Managing Director w.e.f. February 12, 2026 for a period of 5 years by the Board of Director and approved by the Shareholders through Postal Ballot dated April 10, 2026. |
| No. of Board meetings attended during FY 2025-26 | 4 |
| List of other Companies in which directorship are held / Listed Entity Resignation | **Namra Finance Limited**<br>He has not resigned as Director from any listed entity in past three years. |
| Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee) | **Arman Financial Services Limited**<br>Member - Audit Committee<br>**Namra Finance Limited**<br>Member - Audit Committee<br>Member- Stakeholder Relationship Committee |



# Board's Report

To,
The Members,
**Arman Financial Services Limited**

The Directors of the Company with immense pleasure in presenting the Thirty-Fourth **(34th)** Director's Report together with the Audited Financial Statements, both on Consolidated and Standalone basis for the Financial Year ended on **March 31, 2026**. Unless otherwise specifically mentioned, all the numbers provided in this report are standalone figure.

You are our valued partners in the Company and we are happy to share our vision of growth with you. Our guiding principles are a blend of optimism and conservatism, which has been and will be the guiding force of all our future endeavors.

The summary of operating results for the year is given below:

## 1. FINANCIAL PERFORMANCE

(₹in Lakhs)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Total Revenue | 64,586.57 | 73,004.39 | 21,722.08 | 18,529.81 |
| Profit Before Interest and Depreciation | 28,446.53 | 31,024.39 | 11,150.01 | 10,193.16 |
| Finance Charges | 20,541.87 | 23,936.10 | 5,702.54 | 4,356.42 |
| Depreciation | 168.82 | 179.07 | 39.93 | 37.03 |
| Net Profit Before Tax | 7,735.84 | 6,909.22 | 5,407.54 | 5,799.71 |
| Current Tax | 1,519.70 | 2,311.20 | 1,422.80 | 1,745.20 |
| Deferred Tax (Asset)/Liability | 540.24 | (741.17) | (91.53) | (262.45) |
| Short/(Excess) provision of income tax of earlier year | 15.37 | 131.87 | 15.37 | - |
| Net Profit After Tax | 5,660.53 | 5,207.32 | 4,060.89 | 4,316.96 |
| Basic Earnings Per Share (In ₹) | 53.91 | 49.67 | 38.68 | 41.17 |
| Diluted Earnings Per Share (In ₹) | 53.57 | 49.26 | 38.43 | 40.84 |

## 2. OPERATIONS

The Group continues to operate across key lending segments, including Two-Wheeler Finance, MSME Lending, Microfinance, Loan Against Property (LAP), and Solar Financing. The parent company, Arman Financial Services Limited, primarily engages in Two-Wheeler Finance, MSME Lending, LAP and Solar, while the Microfinance business is exclusively undertaken by its wholly owned subsidiary, Namra Finance Limited. The standalone financial statements of both Arman and Namra, along with Arman's consolidated financial statements are included in this Annual Report.

**Consolidated Performance Highlights**

- AUM was ₹2728.43 Crores in FY 2025-26 as compared to ₹2,245.41 Crores in FY 2024-25, increase of 21.51%
- Disbursement was ₹2433.26 Crores in FY 2025-26 as compared to ₹1713.38 Crores in FY 2024-25, increase of 42.02%
- Total income was ₹645.86 Crores in FY 2025-26 as compared to ₹730.04 Crores in FY 2024-25, decrease of 11.53%
- Profit before taxes was ₹77.36 Crores in FY 2025-26 as compared to ₹69.09 Crores in FY 2024-25, increase of 11.97%
- Profit for the year attributable to owners of the Company was ₹56.61crores in FY 2025-26 as compared to ₹52.07 Crores in FY 2024-25, increase of 8.72%

- The Basic Earnings Per Share was ₹53.91 as compared to ₹49.67, increase of 8.54%.
- The Diluted Earnings Per Share was ₹53.57 as compared to ₹49.26, increase of 8.75%

**Standalone Performance Highlights**

- AUM was ₹729.88 Crores in FY 2025-26 as compared to ₹559.63 Crores in FY 2024-25, increase of 30.42 %
- Disbursement was ₹635.52 Crores in FY 2025-26 as compared to ₹481.40 Crores in FY 2024-25, increase of 32.01 %
- Total income was ₹217.22 Crores in FY 2025-26 as compared to ₹185.30 Crores in FY 2024-25, increase of 17.23%
- Profit before taxes was ₹54.08 Crores in FY 2025-26 as compared to ₹58.00 Crores in FY 2024-25, decrease of 6.76%
- Profit for the year attributable to owners of the Company was ₹40.61 Crores in FY 2025-26 as compared to ₹43.17 Crores in FY 2024-25, decrease of 5.93%
- The Basic Earnings Per Share was ₹38.68 as compared to ₹41.17, decrease of 6.05%
- The Diluted Earnings Per share was ₹38.43 as compared to ₹40.84, decrease of 5.90%

## 3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

## 4. DIVIDEND

In order to conserve capital, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

The Dividend Distribution Policy of the Company approved by the Board is in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Policy has been uploaded on the website of the Company at https://armanindia.com/policycode.aspx→ Dividend Distribution Policy.

## 5. APPROPRIATIONS

The Company has transferred ₹813.00 Lakhs (previous year ₹864.00 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹10.00 Lakhs (previous year ₹10.00 Lakhs) to the general reserve.

## 6. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate up to the date of this Report.

## 7. CREDIT RATING & GRADING

During the year under review, Acuité Ratings & Research Limited (Acuite) reviewed the ratings on various bank facilities and on Non-Convertible Debentures (NCDs) of the Company and its subsidiary. Acuité has revised its rating for long term bank facility and NCDs to "ACUITE A-"; (Outlook Stable).(Previously Acuite A (Outlook Negative)).

CARE Ratings Limited (CARE) has reaffirmed its rating for the company and its subsidiary for various NCDs to "CARE A-"; while revising the outlook to "Negative" (A minus; Outlook Negative).
(Previously CARE A- (minus) (Outlook Stable)).

The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 1' (MFI one) by CARE during the year 2025-26.

## 8. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has one wholly owned subsidiary, named 'Namra Finance Limited'. During the year, no changes took place in the group corporate structure of your Company. The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI Listing Regulations. The said policy is available at the Company website at the link https://armanindia.com/policycode.aspx →Policy for Material Subsidiary.

The consolidated financial statements presented by the Company include financial information of its subsidiary prepared in compliance with applicable accounting standards. The salient features of Namra Finance Limited in Form AOC-1 is annexed herewith as **"Annexure-1"** as required under Section 129 (3) of the Companies Act, 2013 ("the Act").

Further pursuant to Section 136 of Companies Act, 2013, standalone and consolidated financial statements of the Company, along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company.

## 9. INVESTMENT IN SUBSIDIARY

During the year under review, the Company has not made any capital infusion in Namra Finance Limited (wholly owned subsidiary) The total investment in wholly owned subsidiary stood at ₹335.63 Crores as on March 31, 2026.





## 10. UNCLAIMED DIVIDEND & SHARES

During the year Company has transferred unclaimed dividend for the year 2017-18 of ₹1,93,740/- to Investor Education and Protection Fund (IEPF) pursuant to provision of Section 124 of the Companies Act, 2013 which remained unclaimed for a period of more than seven years.

Members desirous of claiming their shares and dividends which have been transferred to the IEPF, may refer to the refund procedure, as detailed on www.iepf.gov.in. Underlying shares on which dividend has remained unclaimed from FY 2018-19 onwards, will be due for transfer to the IEPF account during the current financial year and individual notices to that effect has been sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of their dividend and underlying shares to the IEPF.

## 11. DEPOSITS AND LOANS, GUARANTEES INVESTMENTS

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company.

Details of Loans, guarantees and investments made by the Company are provided in Note 3 and 4 to the Standalone Financial Statements.

## 12. PUBLIC DEPOSITS

The Company is Non - deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2026.

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

As on March 31, 2026, the Board comprised 8 (eight) Directors, including the Whole time Director, Vice Chairman & Managing Director, 2 (two) Non-Executive Directors and 4 (four) Independent Directors, of which 1 (one) is a Woman Independent Director.

In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aalok Jayendra Patel (DIN: 02482747) and Jayendrabhai Bhailalbhai Patel (DIN: 00011814) will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

The Company complies with the applicable 'Fit and Proper' criteria for Directors prescribed under the RBI Directions and undertakes the requisite due diligence and related compliances in respect of its Directors.

All the Independent Directors of the Company have submitted declarations confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://armanindia.com/policycode.aspx →Policy for Appointment of Independent Director. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

The Company appoints Directors based on defined criteria including statutory compliance, integrity, leadership qualities, relevant experience, independence, and ability to contribute effectively to the Board. The appointment process involves identification by the Chairman or Board Members, review by the Nomination and Remuneration Committee (NRC), and final approval by the Board, in line with the Company's policies.

**a) Appointment / Re-appointment**

During the last AGM held on September 29, 2025, the members approved the following:

- Re-appointment of Mr. Jayendra Patel (DIN: 00011814) as Vice Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. September 01, 2026.
- Re-appointment of Mr. Yash Shah (DIN: 02155636) as an Independent Director of the Company, for a second term of 5 (five) years effective September 02, 2026

Further during the year, by way of Special Resolution passed through Postal Ballot vide notice dated March 7, 2026, the members approved the re-designation of Mr. Jayendrabhai Bhailalbhai Patel (DIN: 00011814) from Vice Chairman & Managing Director to Whole-Time Director of the Company for a term of 5 (five) consecutive years. with effect from February 12, 2026 (including the pre-closure of the term of reappointment of Mr. Jayendrabhai Bhailalbhai Patel (DIN:00011814), as Managing Director approved by members at 29th Annual General Meeting (AGM) held on September 29, 2021 read with further re-appointment approved by members at 33rd AGM held on September 29, 2025), and re-designation of Mr. Aalok Jayendra Patel (DIN: 02482747) from Joint Managing Director to Vice Chairman & Managing Director of the Company for a term of 5 (five) consecutive years with effect from February 12, 2026 (including the pre-closure of the term of reappointment of Mr. Aalok Jayendra Patel (DIN: 02482747), as Joint Managing Director approved by members at 32nd Annual General Meeting held on September 27, 2024.)

b) **Key Managerial Personnel (KMP)**

During the year under review, Mr. Uttam Patel was appointed as the Company Secretary and Compliance Officer of the Company, being a Whole-time Key Managerial Personnel, with effect from June 20, 2025.

At the Board Meeting held on February 12, 2026, Mr. Vivek Modi was re-designated as Executive Director & Group Chief Financial Officer, from his earlier position as Chief Financial Officer.

At the Board Meeting held on May 27, 2026, Mr. Uttam Patel was re-designated as the Company Secretary & Chief Compliance Officer of the Company, from his earlier position as Company Secretary & Compliance Officer.

The following officials are designated as Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act, 2013:

1. Mr. Jayendrabhai Bhailalbhai Patel – Whole time Director
2. Mr. Aalok Jayendra Patel – Vice Chairman & Managing Director
3. Mr. Vivek Modi – Executive Director & Group Chief Financial Officer
4. Mr. Uttam Patel – Company Secretary & Chief Compliance Officer* (w.e.f. June 20, 2025)
5. Mr. Jaimish Patel- Company Secretary & Compliance Officer (up to May 17, 2025)

## 14. MEETING OF THE BOARD & COMMITTEES

The Board during the financial year 2025-26 met 4 (four) times and Audit Committee met 4 (four) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings of the Board and the Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

**Number of Board meetings and Attendance of Directors**

During the FY 2025-26, 4 (Four) Board meetings were held. The details of Board meetings and attendance of Directors at these meetings are given below:

| Name of Director & Category | Board Meeting 29/05/2025 | Board Meeting 13/08/2025 | Board Meeting 13/11/2025 | Board Meeting 12/02/2026 |
|---|---|---|---|---|
| Alok Prasad (Chairman-Independent Director) | Yes | Yes | Yes | Yes |
| Jayendra Bhailalbhai Patel (Whole-time Director) | Yes | Yes | No | Yes |
| Aalok Jayendra Patel (Vice Chairman & Managing Director) | Yes | Yes | Yes | Yes |
| Aakash Jayendrabhai Patel (Non-Executive Director) | No | Yes | No | Yes |
| Ritaben Jayendrabhai Patel (Non-Executive Director) | Yes | Yes | No | No |
| Yash Kaushik Shah (Independent Director) | Yes | Yes | Yes | Yes |
| Pinakin Surendrai Shah (Independent Director) | Yes | Yes | Yes | Yes |
| Geeta Haresh Solanki (Independent Director) | Yes | Yes | No | Yes |



**Composition and Attendance Details — Audit Committee**

During the FY 2025-26, 4 (Four) Audit Committee meetings were held. The details of Audit Committee meetings and attendance of Directors at these meetings are given below:

| Name of Director & Category | Chairman / Member | 29/05/2025 | 13/08/2025 | 13/11/2025 | 12/02/2026 |
|---|---|---|---|---|---|
| Mr. Yash Kaushik Shah Independent Director | Chairman | Yes | Yes | Yes | Yes |
| Mr. Alok Prasad Chairman & Independent Director | Member | Yes | Yes | Yes | Yes |
| Mrs. Ritaben Jayendrabhai Patel Non-Executive Director | Member | Yes | Yes | No | No |
| Mr. Pinakin Surendrai Shah Independent Director | Member | Yes | Yes | Yes | Yes |

**Composition and Attendance Details — Nomination and Remuneration Committee (NRC)**

During the FY 2025-26, 3 (Three) NRC meetings were held. The details of NRC meetings and attendance of Directors at these meetings are given below:

| Name of Director & Category | Chairman / Member | 29/05/2025 | 13/08/2025 | 12/02/2026 |
|---|---|---|---|---|
| Mr. Pinakin Surendrai Shah Independent Director | Chairman | Yes | Yes | Yes |
| Mr. Alok Prasad Chairman & Independent Director | Member | Yes | Yes | Yes |
| Mr. Yash Kaushik Shah Independent Director | Member | Yes | Yes | Yes |
| Ms. Geeta Haresh Solanki Independent Director | Member | Yes | Yes | Yes |

**Composition and Attendance Details — Stakeholders Relationship Committee (SRC)**

During the FY 2025-26, 1 (One) SRC meeting was held. The detail of SRC meeting and attendance of Directors at this meeting is given below:

| Name of Director & Category | Chairman / Member | 12/02/2026 |
|---|---|---|
| Mr. Alok Prasad Chairman & Independent Director | Chairman | Yes |
| Mr. Yash Kaushik Shah Independent Director | Member | Yes |
| Mr. Jayendra Bhailalbhai Patel Whole time Director | Member | Yes |

**Composition and Attendance Details - Corporate Social Responsibility Committee (CSR Committee)**

During the FY 2025-26, 1 (One) CSR Committee meeting was held. The detail of CSR Committee meeting and attendance of Directors at this meeting is given below:

| Name of Director & Category | Chairman / Member | 13/08/2025 |
|---|---|---|
| Mr. Jayendra Patel<br>Whole time Director | Chairman | Yes |
| Mr. Aalok Patel<br>Vice Chairman & Managing Director | Member | Yes |
| Mr. Alok Prasad<br>Chairman & Independent Director | Member | Yes |

**Composition and Attendance Details — Risk Management Committee (RMC)**

During the FY 2025-26, 4 (Four) RMC meetings were held. The details of RMC meetings and attendance of Directors at these meetings are given below:

| Name of Director & Category | Chairman / Member | 26/06/2025 | 26/09/2025 | 30/12/2025 | 28/03/2026 |
|---|---|---|---|---|---|
| Mr. Alok Prasad<br>Chairman & Independent Director | Chairman | Yes | Yes | Yes | Yes |
| Mr. Jayendra Patel<br>Whole time Director | Member | No | Yes | No | Yes |
| Mr. Aalok Patel<br>Vice Chairman & Managing Director | Member | Yes | Yes | Yes | Yes |
| Mr. Vivek Modi<br>Executive Director & Group Chief Financial Officer | Member | Yes | Yes | Yes | Yes |
| Mr. Govindrajan Moorthy<br>Chief Risk Officer | Member | Yes | Yes | Yes | Yes |

**Composition and Attendance Details — Asset & Liability Management Committee (ALCO)**

During the FY 2025-26, 4 (Four) ALCO meetings were held. The details of ALCO meetings and attendance of Directors at these meetings are given below:

| Name of Director & Category | Chairman / Member | 26/06/2025 | 26/09/2025 | 30/12/2025 | 28/03/2026 |
|---|---|---|---|---|---|
| Mr. Jayendra Patel<br>Whole time Director | Chairman | No | Yes | No | Yes |
| Mr. Aalok Patel<br>Vice Chairman & Managing Director | Member | Yes | Yes | Yes | Yes |
| Mr. Vivek Modi<br>Executive Director & Group Chief Financial Officer | Member | Yes | Yes | Yes | Yes |
| Mr. Govindrajan Moorthy<br>Chief Risk Officer | Member | Yes | Yes | Yes | Yes |



## 15. REMUNERATION POLICY

**Remuneration to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in the Board meeting, subject to the subsequent approval of the shareholders at the ensuing Annual General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such:

- Level of skill, knowledge and core competence of individual.
- Functions, duties and responsibilities.
- Company's performance and achievements.
- Compensation of peers and industry standard.

The Company may if the need arises, strike a balance between the fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal.

**Remuneration to Non-Executive Directors**

Non-Executive Directors are entitled to receive sitting fees for attending meetings of the Board and its Committees. In addition, they are reimbursed for travel and other expenses incurred in connection with the Company's affairs, including attendance at Board meetings, Committee meetings, and General Meetings.

## 16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures related to remuneration and other details are provided in the **"Annexure-2".**

## 17. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 & COMPLIANCE UNDER MATERNITY BENEFIT ACT 1961.

**Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

The details regarding the complaints received, complaints disposed off and cases pending are as below:

| S. No. | Particular | No. of Complaints |
|---|---|---|
| 1 | Number of complaints of sexual harassment received in the year; | Nil |
| 2 | Number of complaints disposed off during the year | Nil |
| 3 | Number of cases pending for more than ninety days | Nil |

**Compliance under the Maternity Benefit Act, 1961**

During the year under review, the Company is in compliance with the provisions of the Maternity Benefit Act, 1961.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

a) In the preparation of the annual accounts for the financial year ended on March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit and loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. FAMILIARIZATION PROGRAMME

The Company has familiarized its Independent Directors with the Company, their roles, right, and responsibilities in the Company, the nature of the industry in which the Company operates, and the business model of the Company, among other aspects.

The details relating to the familiarization programme are available on the website of the Company at https://armanindia.com/policyncode.aspx →Familiarization Programme for Independent Directors.

## 20. AUDITORS AND AUDIT REPORTS

**a) Statutory Auditors**

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and in compliance with the guidelines issued by the RBI for appointment of Statutory Auditors dated April 27, 2021, the members of the Company at the 32nd AGM of the Company approved the appointment of M/s Laxminiwas & Co., Chartered Accountants (FRN: 011168S) as Statutory Auditors of the Company for a term of 3 (three) consecutive years from the conclusion of the 32nd AGM until the conclusion of the 35th AGM to be held with respect to the financial year 2026-27.

**b) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the members of the Company at the 33rd Annual General Meeting held on September 29, 2025, approved the appointment of M/s GKV & Associates, Practicing Company Secretary (Firm Registration No S2018GJ565600, Peer Review Certificate No.:2136/2022) to undertake the Secretarial Audit of the Company for a term of 5 (five) consecutive years commencing from the financial year 2025-26 till the conclusion of the 38th AGM of the Company to be held in the year 2030.

M/s GKV & Associates., Practicing Company Secretary have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment is within the limits specified by the Institute of Company Secretaries of India. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of the provisions of the Act & the rules made thereunder, and the SEBI Regulations.

M/s. GKV & Associates. have carried out the Secretarial Audit for FY 2025-26 and their report in Form MR-3, is annexed herewith as **"Annexure-3".** There are no qualifications, reservations, adverse remarks, or disclaimers in their report.

**c) Internal Auditors**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place an adequate internal audit framework. M/s GBP & Associates, Ahmedabad, Gujarat (FRN: 141678W), is the Internal Auditors of the Company, and are responsible for conducting the internal audit of the Company in accordance with the applicable regulatory requirements and the approved internal audit plan.

The internal audit framework is designed to monitor the efficacy of internal controls with the objective of providing the Audit Committee and the Board of Directors with independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The Company has also an internal audit department headed by Internal Auditor, Mr. Nitesh Mishra (up to May 31, 2026). The internal audit department assesses and contribute the improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. The internal audit team follows Risk Based Internal Audit which helps the organization to identify the risks and address them accordingly based on the risk priority and direction provided by the Board of Directors. The Internal audit reports are presented to the Audit Committee of the Board on a quarterly basis. Based on the reports of the internal audit team, the process owners undertake corrective action in their respective areas.

With effect from June 09, 2026, Mr. Pushpendra Kumar was appointed as Interim Head – Internal Audit and designated as Senior Management Personnel. Subsequently, with effect from August 12, 2026, he has been re-designated as Head – Internal Audit.

**d) Cost Auditors**

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining of cost audit records does not apply to the Company.

**Secretarial Standards**

During the year 2025-26, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 21. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant related party transactions made by the Company with its Promoters, Directors or Key Managerial Personnel, other designated persons which may have any potential conflict with the interest of the Company at large or which warranted the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

Pursuant to Regulation 23(9) of SEBI LODR, half-yearly disclosures of related party transactions have been submitted to stock exchanges.

All Related Party Transactions are presented to the Audit Committee and subsequently to the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board, may be accessed on the Company's website at the link https://armanindia.com/policyncode.aspx → Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions.

## 22. RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee in accordance with the requirements of Regulation 21 of the SEBI Listing Regulations and has adopted a comprehensive Risk Management Policy.

The Company has in place a well-defined risk management framework, through which the Board of Directors is periodically updated on the key deliberations and actions taken by the Risk Management Committee. This ensures that potential risks are identified, assessed, and mitigated through appropriate management controls embedded within the business processes.

As the Company progresses towards its strategic and business objectives, it is exposed to various types of risks, including Credit Risk, Liquidity Risk, Cyber Security Risk, operational, financial, regulatory, and reputational risks. The Risk Management Committee plays a pivotal role in evaluating these risks and advising the Board accordingly.

Risk management is central to our business philosophy, and maintaining the right risk-return trade-off, in line with our defined risk appetite, is integral to our approach. The Company endeavors to optimize returns while prudently managing the associated risks, thereby safeguarding stakeholder value and supporting sustainable growth.

## 23. INTERNAL FINANCIAL CONTROL

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control 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.

The Company has established an adequate system of internal financial controls (IFC). These controls are designed to ensure the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy of accounting records, and the timely preparation of reliable financial information.

The internal control systems are continually assessed by the Internal Audit function and the Audit Committee of the Board. Based on these evaluations, the Board confirms that the internal financial controls with reference to the financial statements were adequate and operating effectively during the financial year 2025-26.

The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as **Annexure A / B** to the Independent Auditors' Report under Consolidated Financial Statements and Standalone Financial Statements.

## 24. DEBENTURE TRUSTEE:

| Name of the Debenture Trustee | Address & Contact Details |
|---|---|
| IDBI Trusteeship Services Limited | Universal Insurance Building, Ground Floor, Sir P.M Road, Fort Mumbai, Maharashtra – 400 001<br>**Tel**: 022-40807000, 022-66311776<br>**E-mail**: itsl@idbitrustee.com<br>**Website**: www.idbitrustee.com |
| Catalyst Trusteeship Limited | Unit No-901, 9th Floor,<br>Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013<br>**Tel**: 022-4922 0555<br>**E-mail:** dt.mumbai@ctltrustee.com<br>**Website:** www.catalysttrustee.com |
| Vardhman Trusteeship Private Limited | The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051<br>**Tel**: 022-4264 8335<br>**E-mail:** compliance@vardhmantrustee.com<br>**Website:** www.vardhmantrustee.com |

## 25. PERFORMANCE EVALUATION

Pursuant to the provisions Section 134(3)(p) of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

**Manner of Evaluation**

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board as a whole, individual directors and its various Committees are being made.

It includes circulation of evaluation response / feedback sheet separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Managing Director / Chief Executive Officer / Whole time Director / Chairperson of the Company.

The evaluation of Board as a whole, individual directors and its various Committees are being carried out by the Nomination & Remuneration Committee of the Company and subsequently it gives the report of evaluation to the Board for review. In a separate meeting of Independent Directors held during the year, the performance of Non-Independent Directors, the Board as a whole, and the Chairperson was also reviewed and evaluated in accordance with Schedule IV of the Act and the SEBI Listing Regulations.

## 26. CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance in all its dealings with stakeholders. It has complied with the Corporate Governance requirements as prescribed under the SEBI Listing Regulations. A separate section on Corporate Governance, along with a certificate from M/s. GKV & Associates, Practicing Company Secretaries, confirming the level of compliance, forms part of the Board's Report as **Annexure-4**

## 27. WHISTLE BLOWER POLICY

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. It is hereby affirmed that no personnel has been denied access to the Audit Committee during the financial year under review. The details of the Whistle Blower Policy is available on Company's website at the link: https://armanindia.com/policyncode.aspx ? Whistle Blower Policy



## 28. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, a copy of the Annual Return in form MGT-7 for the Company for the financial year 2025-26 is available on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=Annual-return ? Annual Return 2025-26

## 29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

**A. Conservation of energy and technology absorption:**

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

**B. Foreign exchange earnings and outgo:**

There were no foreign exchange earnings during the year (previous year - Nil) further the expenditure in foreign currency by the Company during the year was Nil (previous year: Nil) towards the due diligence fees.

## 30. SHARE CAPITAL & DEBENTURES

- **Authorized Share Capital:**

  The authorized share capital of the Company is ₹15,00,00,000 divided into 1,40,00,000 ordinary equity shares of the face value of ₹10/- each aggregating to ₹14,00,00,000/- and 10,00,000 Preference Shares of ₹10/- each aggregating to ₹1,00,00,000/-.

- **Paid up Share capital:**

  As on March 31, 2026, the Company's paid-up Equity Share Capital was ₹10,51,29,210/-divided into 1,05,12,921 Equity Shares of ₹10/- each.

- **Non-Convertible Debentures (NCDs)**

Non-Convertible Debentures Redeemed/Issued during the Financial Year 2025-26 and Outstanding as at March 31, 2026

| Sr No. | ISIN | Date of Allotment | Coupon Rate | No. of NCDs Originally Issued | Face Value per NCD (₹) | Original Aggregate Amount (₹Crore) | Principal Outstanding as at April 01, 2025 (₹in cr.) | Principal Redeemed between April 01, 2025 to March 31, 2026 (₹ in cr.) | Principal Outstanding as at March 31, 2026 (₹ in cr.) | Maturity Schedule |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | INE109C07048 | 14/06/2022 | 11.30% | 2,88,750 | 1000 | 28.87 | 28.87 | 28.87 | Redeemed on 16/06/2025 | 99.99% on 16/06/2025 \| 0.01% on 14/06/2027 |
| 2 | INE109C07089 | 19/07/2023 | 8.82% | 4,900 | 1,00,000 | 49.00 | 12.25 | 12.25 | Redeemed on 18/07/2025 | Quarterly Basis 19/10/2023 to 19/07/2025 |
| 3 | INE109C07097 | 25/04/2024 | 10.20% | 4,980 | 1,00,000 | 49.80 | 49.80 | 49.80 | Redeemed on 23/01/2026 | January 23, 2026 |
| 4 | INE109C07071* | 11/04/2023 | 12.20% | 4,97,310 | 1,000 | 49.73 | 49.73 | - | 49.73 | 99.99% on April 11, 2026 \| 0.01% on April 11, 2028 |
| 5 | INE109C07105 | 05/06/2025 | 11.40% | 4,000 | 1,00,000 | 40.00 | - | 10.00 | 30.00 | Quarterly Basis 05/09/2025 to 05/06/2028 |
| 6 | INE109C07113 | 01/07/2025 | 11.10% | 4,200 | 1,00,000 | 42.00 | - | - | 42.00 | 99.99% on 01/07/2028 \| 0.01% on 01/07/2030 |
| 7 | INE109C07121 | 04/12/2025 | 11.35% | 75,000 | 10,000 | 75.00 | - | - | 75.00 | December 05, 2027 |
| 8 | INE109C07139 | 29/01/2026 | 11.35% | 1,25,000 | 10,000 | 125.00 | - | - | 125.00 | 30% on 29/01/2028 \| 30% on 29/04/2028 \| 40% on 29/07/2028 |
| 9 | INE109C07147 | 25/03/2026 | 10.90% | 1,25,000 | 10,000 | 125.00 | - | - | 125.00 | 30% on 25/03/2028 \| 30% on 25/06/2028 \| 40% on 25/09/2028 |

* NCD was fully redeemed on April 10, 2026.

Debenture Terms & Listing: All debentures are rated, senior, secured, transferable, redeemable, and non-convertible in nature, and are listed on the Wholesale Debt Market (WDM) segment of BSE Limited.

- **Buy Back of Securities:**

  The Company has not bought back any of its securities during the year under review.

- **Sweat Equity:**

  The Company has not issued any Sweat Equity Shares during the year under review.

- **Bonus Shares:**

  No Bonus Shares were issued during the year under review.

- **Employees Stock Option Plan**

  There has been no material change in the ESOP Schemes during the year under review. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

  During the financial year under the review, the Company has allotted 1,150 and 300 ordinary equity shares of ₹10/- each on May 16, 2025, and September 17, 2025, respectively, to the eligible employees of the Company / Subsidiary Company pursuant to the 'Arman Employee Stock Option Plan 2016'.

  During the financial year under review, the Company has allotted 20,933 ordinary equity shares of ₹10/- each on September 17, 2025, to the eligible employees of the Company / Subsidiary Company pursuant to the 'Arman Employee Stock Option Plan 2023'

  Particulars of Employee Stock Options granted, vested, exercised and allotted are given in **"Annexure-5"**.

## 31. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, the Company has in place a CSR Policy and undertakes activities as specified in Schedule VII of the Act. During the year under review, the Company has duly spent the prescribed CSR amount on approved projects/programs. The CSR Policy is available on the website of the Company at https://armanindia.com/policyncode.aspx→Corporate Social Responsibility Policy.

Further, the Report on CSR activities is annexed herewith as **"Annexure-6"**.

## 32. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, Company is required to submit a Business Responsibility and Sustainability Report ("BRSR") as a part of the Annual Report. The Company's BRSR describing the initiatives taken by the Company is uploaded on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=BRSR → BRSR 2025-26. BRSR is annexed herewith as "**Annexure-7**".

## 33. CODE OF CONDUCT

The Code of Conduct for all Board members and Senior Management of the Company have been laid down and are being complied with in letter and spirit. The compliance on declaration of Code of Conduct signed by Managing Director of the Company is included as a part of this Annual Report.

## 34. FAIR PRACTICE CODE

Your Company has duly formulated and adopted Fair Practice Code (FPC) in compliance with the guidelines issued by RBI, to deliver quality services to the borrowers by maintaining highest levels of transparency and integrity. It also aims to provide valuable information to the borrowers for making an informed decision. The FPC (in English, Hindi, Gujarati, Marathi, and Telugu Version) is available on the Company's website at https://armanindia.com/policyncode.aspx ? Fair Practice Code

## 35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of the SEBI Listing Regulations, the Management discussion and analysis report, describing the Company's operational performance, industry trends, opportunities, and threats, forms a part of this Annual Report.

## 36. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee or the Board of Directors under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees.



## 37. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNAL

There were no significant or material order passed by the Regulators, Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

## 38. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or any proceeding initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

## 39. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

The Company has not made any such transaction during the FY 2025-26.

## 40. GRATITUDE & ACKNOWLEDGEMENTS

The Board places on record its sincere appreciation and gratitude to all employees, customers, suppliers, investors, lenders, regulatory and government authorities, and the stock exchanges for their continued support and cooperation. The Board looks forward to their sustained association and support in the future.

For and on behalf of the Board of Directors of,
**Arman Financial Services Limited**

**Date:** August 12, 2026
**Place:** Ahmedabad

**Jayendrabhai Bhailalbhai Patel**
(Whole time Director)
DIN: 00011814

**Aalok Jayendra Patel**
(Vice Chairman & Managing Director)
DIN: 02482747

# Annexure-1

## FORM NO. AOC-1

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

Pursuant to first provision of Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014

**Part A - Subsidiaries**

| SRN | Particulars | (₹ in Lakhs) |
|---|---|---|
| 1. | Name of the Subsidiary Company | Namra Finance Limited |
| 2. | Reporting period of the Subsidiary Company | March 31, 2026 |
| 3. | Reporting Currency of the Subsidiary Company | INR |
| 4. | Share Capital | 5,286.00 |
| 5. | Reserves & Surplus | 59,748.34 |
| 6. | Total Assets | 1,84,591.75 |
| 7. | Total Liability | 1,19,557.41 |
| 8. | Investment | 2,110.38 |
| 9. | Turnover | 43,287.37 |
| 10. | Profit before tax | 2,017.03 |
| 11. | Provision for tax | 728.67 |
| 12. | Profit after tax | 1,288.36 |
| 13. | Dividend | Nil |
| 14. | Extent of shareholding (in percentage) | 100% |

1. There is no subsidiary which is yet to commence operation
2. No Subsidiary is liquidated or sold during the year.

**Part B - Associates and Joint Ventures: None**

For and on behalf of the Board of Directors of,
**Arman Financial Services Limited**

**Jayendra Patel**
(Whole time Director)
DIN: 00011814

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN: 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

**Date:** August 12, 2026
**Place:** Ahmedabad





# Annexure-2

## PARTICULARS OF REMUNERATION

Information in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. **The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2025-26:**

| Name of Director | Designation | Remuneration of the Directors for 2025-26 (₹ in Lakhs) | Ratio of remuneration of the directors to the median remuneration of the employees |
|---|---|---|---|
| Alok Prasad | Chairman & Independent Director | 2.61 | 1.09:1 |
| Jayendra Patel | Vice Chairman & Managing Director | 25.13 | 10.54:1 |
| Aalok Patel | Managing Director | 17.00 | 7.13:1 |
| Ritaben Patel | Non-Executive Director | 0.74 | 0.31:1 |
| Aakash Patel | Non-Executive Director | Nil | N.A. |
| Pinakin Shah | Independent Director | 1.98 | 0.83:1 |
| Geeta Solanki | Independent Director | 0.93 | 0.39:1 |
| Yash Shah | Independent Director | 2.11 | 0.88:1 |

**Note:** Sitting Fees paid to Non-Executive Directors and Independent Directors are classified as remuneration to Director

ii. **The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year:**

| Name of Director | Designation | Nature of Payment | Percentage increase in remuneration |
|---|---|---|---|
| Alok Prasad | Chairman & Independent Director | Sitting fee | 6.11% |
| Jayendrabhai B. Patel[1*] | Whole time Director | Remuneration | 11.73% |
| Aalok Jayednra Patel[2*] | VIce Chairman & Managing Director | Remuneration | 54.84% |
| Ritaben Patel | Non-Executive Director | Sitting fee | (33.33%) |
| Aakash Patel | Non-Executive Director | Sitting fee | N.A. |
| Pinakin Surendrai Shah | Independent Director | Sitting fee | 128.90% |
| Geeta Solanki | Independent Director | Sitting fee | 15. 53% |
| Yash Kaushik Shah | Independent Director | Sitting fee | 13.48% |
| Vivek Modi | Chief Financial Officer | Remuneration | 10.06% |
| Jaimish Patel / Uttam Patel (CS) | Company Secretary (Resigned w.e.f. May 17, 2025 / Appointed w.e.f. June 20, 2026 ) | Remuneration | 14.30% |

1.* Mr. Jayendra Patel has been re-designated from Vice Chairman & Managing Director to Whole-Time Director effective from February 12, 2026

2.* Mr. Aalok Patel has been re-designated from Joint Managing Director to Vice Chairman & Managing Director effective from February 12, 2026

iii. **The percentage increase/decrease in the median remuneration of employees in the financial year 2025-26: -13.08%**

iv. **There were 1753 employees on the rolls of Company as on March 31, 2026.**

v. **Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average percentage increase/decrease of the employee of the Company other than managerial personnel is (13.08%). Increase in remuneration of managerial personnel is 22.73%. There were no exceptional circumstances for increase in the managerial remuneration during the year.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors of
**ARMAN FINANCIAL SERVICES LIMITED**

**Aalok Patel**
Vice Chairman & Managing Director
(DIN: 02482747)





# Annexure-3

## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT
### FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**Arman Financial Services Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arman Financial Services Limited (CIN: L55910GJ1992PLC018623) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2026 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
    d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
    g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

6. Specifically, applicable Laws to the Company, as identified and confirmed by the Management:

i. The Reserve Bank of India Act, 1934,

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions were taken unanimously in the Board & its committees.

**We further report that:**

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the MD/CEO and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**As informed,** the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

**We further report that:**

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. referred above.

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C. P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084877

*Note: This report is to be read with our letter of even date which is annexed as Annexure-A forms an integral part of this report.*



# Annexure-A

To,
The Members,
**Arman Financial Services Limited**

Our report of even date is to be read along with this letter.

**Management Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Auditors Responsibility:**

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C. P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084877

# Annexure-4

# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance at Arman is designed to incorporate the best management practices, ensure regulatory and legal compliance, and uphold high ethical standards to achieve the Company's objectives. Arman believes that a robust corporate governance is essential for building and maintaining investor trust. Accordingly, the Company's business policies are founded on ethical conduct, transparency, professionalism, independence, and an unwavering commitment to fostering long-term, sustainable relationships with its stakeholders. Arman continues to strengthen its governance practices to create sustainable long-term value, thereby ensuring ethical and responsible leadership at both the Board and Management levels.

At Arman, we consider it our inherent responsibility to disclose timely and accurate information related to our financial performance, leadership, and corporate governance. We are committed to a well-balanced corporate governance system that serves as a framework for achieving the Company's strategic objectives, covering all key areas of management—from strategic planning and internal controls to corporate disclosures.

The Company not only complies fully with the requirements outlined under the SEBI Listing Regulations, but is also dedicated to pioneering sound corporate governance principles and practices. Arman continuously strives to adopt emerging best practices in corporate governance to further enhance its standards.

## CODE OF CONDUCT AND ETHICS

The Code of Conduct ("the Code") for Board members and senior management personnel, as adopted by the Board, is a comprehensive framework applicable to all Directors and senior management personnel. The Code lays down in detail the standards of business conduct, ethics, and strict governance norms . The Code has been circulated to all Directors and senior management personnel, and its compliance is formally affirmed by them on an annual basis. A declaration signed by the Company's Managing Director to this effect is published in this Annual report.

## CEO / CFO CERTIFICATION

The Vice Chairman & Managing Director and C.F.O. have issued a certificate pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## 1. BOARD OF DIRECTORS

- **Composition of the Board of Directors**

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board acts with complete autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full and unrestricted access to any information related to the Company.

As on March 31, 2026, the Board comprised 8 (eight) Directors, including the Whole time Director, Vice Chairman & Managing Director, , 2 (two) Non-Executive Directors, and 4 (four) Independent Directors, of which 1 (one) is a Woman Independent Director. Independent Directors are free from any business or other relationship that could materially influence their judgment.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.





In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Non-Executive Independent Directors had resigned before the expiry of their respective tenures during the financial year 2025-26.

Details of Directors as on March 31, 2026 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2026 are given below:

| Name of the Director | Attendance Particular | | | | Directorship (including Arman)[1] | Name & Category of Directorships of the Listed Companies (including Arman) | Committee Membership[1] (including Arman) | |
|---|---|---|---|---|---|---|---|---|
| | Director Since | Board Meetings held during the tenure | Board meetings attended | Attendance at last AGM | | | Chairman | Member[4] |
| Alok Prasad (C-ID) | 01/08/2018 | 4 | 4 | No | 2 | Arman Financial Services Limited (Independent Director) Muthoot Microfin Limited (Independent Director) | 1 | 4 |
| Jayendra Bhailalbhai Patel[2] (WTD) | 28/08/1995 | 4 | 3 | Yes | 2 | Arman Financial Services Limited (WTD) | - | 1 |
| Aalok Jayendra Patel[3] (VC & MD) | 30/01/2007 | 4 | 4 | Yes | 2 | Arman Financial Services Limited (VC & MD) | - | 1 |
| Aakash Jayendrabhai Patel (NED) | 24/10/2000 | 4 | 2 | Yes | 1 | Arman Financial Services Limited (Non-Executive Director) | - | - |
| Ritaben Jayendrabhai Patel (NED) | 26/11/1992 | 4 | 2 | Yes | 2 | Arman Financial Services Limited (Non-Executive Director) | - | 2 |
| Yash Kaushik Shah (ID) | 02/09/2021 | 4 | 4 | Yes | 4 | Arman Financial Services Limited (Independent Director) Restile Ceramics Limited (Independent Director) Brady & Morris Engineering Company Ltd (Independent Director) | 1 | 5 |
| Pinakin Surendrai Shah (ID) | 14/08/2024 | 4 | 4 | Yes | 2 | Arman Financial Services Limited (Independent Director) | 1 | 2 |
| Geeta Haresh Solanki (ID) | 01/04/2020 | 4 | 3 | Yes | 2 | Arman Financial Services Limited (Independent Director) | - | - |

{C-Chairman, VC-MD-Vice Chairman & Managing Director, WTD-Whole time Director, NED-Non-Executive Director, ID-Independent Director}

Note:

1. These numbers exclude the Directorship / Committee Membership held in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Regulation 26 of Listing Regulations, which were placed before the Board.

2. Mr. Jayendra Patel has been re-designated from Vice Chairman & Managing Director to Whole-Time Director of the Company, with effect from February 12, 2026, which was subsequently approved by the members of the Company through postal ballot, the results of which were announced on April 10, 2026.

3. Mr. Aalok Patel has been re-designated from Joint Managing Director to Vice Chairman & Managing Director of the Company, with effect from February 12, 2026, which was subsequently approved by the members of the Company through postal ballot, the results of which were announced on April 10, 2026.

4. Membership included Chairman.

   None of the Directors except Mr. Jayendra Patel, Mr. Aalok Patel, Mrs. Ritaben and Mr. Aakash Patel have relationships amongst directors inter-se.

- **Matrix setting out the Skills/Expertise/Competence of the Board of Directors**

The Board has identified the following key skills, expertise, and competencies as essential for Directors, keeping in view the nature and requirements of the Company's business operations:

| Name of the Director | Area of Skills / Expertise / Competencies |
|---|---|
| Mr. Alok Prasad | Banking, Microfinance, Finance, Management, Risk Management, Regulatory & Compliance |
| Mr. Jayendra Patel | Strategic Planning & Business Development, Microfinance & Financial Inclusion Expertise, MSME, Two-Wheeler, and Small-Ticket Lending Sector Knowledge, Environmental, Social & Governance (ESG) / CSR. Governance & Board Stewardship, Entrepreneurial & Execution Experience, Human Capital & Leadership Development, Resilience & Crisis Management, Macroeconomic & Sectoral Trend Analysis. |
| Mr. Aalok Patel | Financial Acumen & Accounting Expertise, Audit, Risk & ALM Oversight, Strategic Planning & Business Development, Microfinance & Financial Inclusion Expertise, MSME, Two-Wheeler, and Small-Ticket Lending Sector Knowledge, Entrepreneurial & Execution Experience, Human Capital & Leadership Development, Macroeconomic & Sectoral Trend Analysis, Resilience & Crisis Management, Marketing, Customer Experience & Product Innovation. |
| Mr. Pinakin Shah | Financial Acumen & Accounting Expertise, Audit, Risk & ALM Oversight, Legal & Regulatory Compliance, Corporate Governance & Board Stewardship, Strategic Planning & Business Development, MSME, Two-Wheeler, and Small-Ticket Lending Sector Knowledge, Entrepreneurial & Execution Experience, Regulatory & Public Policy Awareness, Macroeconomic & Sectoral Trend Analysis, Environmental, Social & Governance (ESG) / CSR, Marketing, Customer Experience & Product Innovation, Communication & Listening Skills. |
| Mr. Yash Shah | Financial Acumen & Accounting Expertise, Audit Risk & ALM Oversight, Legal & Regulatory Compliance, Corporate Governance & Board Stewardship, Strategic Planning & Business Development, Grassroots & Community Engagement Understanding, Entrepreneurial & Execution Experience, Information Technology Digital & Cybersecurity, Regulatory & Public Policy Awareness, Resilience & Crisis Management, Environmental, Social & Governance (ESG) / CSR, Empathy & Social Sensitivity, Communication & Listening Skills. |
| Ms. Geeta Solanki | Strategic Planning & Business Development, Grassroots & Community Engagement Understanding, Entrepreneurial & Execution Experience, Human Capital & Leadership Development, Resilience & Crisis Management, Environmental, Social & Governance (ESG) / CSR, Marketing, Customer Experience & Product Innovation, Empathy & Social Sensitivity, Communication & Listening Skills, Cultural Intelligence |
| Mr. Aakash Patel | Entrepreneurial & Execution Experience, Human Capital & Leadership Development, Information Technology, Digital & Cybersecurity, Macroeconomic & Sectoral Trend Analysis, Resilience & Crisis Management, Marketing, Customer Experience & Product Innovation, Communication & Listening Skills |
| Mr. Ritaben Patel | Grassroots & Community Engagement Understanding, Environmental, Social & Governance (ESG) / CSR, Cultural Intelligence, Empathy & Social Sensitivity |



- **Re-Appointment of Directors Retiring By Rotation**

Brief profile of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting, as per Regulation 36 of the SEBI Listing Regulations is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

- **Meeting of Independent Directors**

The Independent Directors of your Company met once during the year on February 13, 2026 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in formal way to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 2. AUDIT COMMITTEE

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and part C of Schedule II and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended by the SEBI (LODR) (Fifth Amendment) Regulations, 2025. The Audit Committee discharges such duties and functions generally indicated under Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013 and the RBI Scale-Based Regulatory Framework and the RBI Amendment Directions, 2026 and the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (as amended from time to time). and such other functions as may be specifically assigned to it by the Board from time to time. Audit Committee met 4 (four) times on May 29, 2025; August 13, 2025; November 13, 2025; and February 12, 2026.

- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Yash Kaushik Shah<br>Independent Director | Chairman | 13-11-2021 | 4 | 4 |
| 2. | Mr. Alok Prasad<br>Independent Director | Member | 09-08-2018 | 4 | 4 |
| 3. | Mrs. Ritaben Jayendrabhai Patel<br>Non-Executive Director | Member | 14-11-2016 | 4 | 2 |
| 4. | Mr. Pinakin Surendrai Shah<br>Independent Director | Member | 14-08-2024 | 4 | 4 |

**Note**: There were no changes to the Committee during FY 2025-26. Subsequently, on June 09, 2026, the Board reconstituted the Committee by appointing Mr. Aalok Patel in place of Ms. Rita Patel.

The Committee members possess strong knowledge in the areas of accounting, finance, audit, governance, and legal matters.

a) During the year under review, the Company has not provided any loans and advances in the nature of loans to firms/ companies in which directors are interested expect with Subsidiary Company, i.e. Namra Finance Limited. The full details of the loan given to Subsidiary Company has been disclosed under the separate section of "Related Party Transaction" in standalone financial results of the Company.

b) The Consolidated fees paid by the Company and its subsidiary to statutory auditors is ₹26.85 Lakhs (towards audit fees, tax audit, certification work, income tax consultancy fee for the financial year 2025-26.)

## 3. NOMINATION AND REMUNERATION COMMITTEE

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Nomination and Remuneration Committee are in line with the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014; Part D of Schedule II and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended by the SEBI (LODR) (Amendment) Regulations, 2021 and SEBI (LODR) (Amendment) Regulations, 2025) and the Reserve Bank of India (Non-Banking Financial Companies — Governance) Directions, 2025 (as amended from time to time)and also discharges such duties and functions as generally indicated thereunder and such other functions as may be specifically assigned to it by the Board from time to time.

The Nomination and Remuneration Committee met 3 (three) times on May 29, 2025, August 13, 2025 and February 12, 2026.

- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Pinakin Surendrai Shah<br>Independent Director | Chairman | 14-08-2024 | 3 | 3 |
| 2. | Mr. Alok Prasad<br>Independent Director | Member | 13-10-2018 | 3 | 3 |
| 3. | Mr. Yash Kaushik Shah<br>Independent Director | Member | 13-11-2021 | 3 | 3 |
| 4. | Ms. Geeta Haresh Solanki<br>Independent Director | Member | 11-11-2020 | 3 | 3 |

**Note:** There were no changes to the Committee during FY 2025-26. Subsequently, on June 09, 2026, the Board reconstituted the Committee by appointing Ms. Rita Patel in place of Ms. Geeta Solanki.

- **REMUNERATION TO DIRECTORS**

Remuneration paid to Executive Directors for the year ended March 31, 2026 was as under:

| Name of the Director | Remuneration (In Lakh) | Period of appointment | Approving Authority |
|---|---|---|---|
| Jayendra Patel | 25.13 | Five years w.e.f. February 12, 2026 | Members through postal ballot, the results of which were announced on April 10, 2026. |
| Aalok Patel | 17.00 | Five years w.e.f. February 12, 2026 | Members through postal ballot, the results of which were announced on April 10, 2026. |
| **Total** | **42.13** | | |

The criteria for making payments to the Whole time Director and Vice Chairman and Managing Director were:



i. Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites and performance pay are also paid/ provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.

ii. Remuneration is determined keeping in view the industry benchmarks.

Apart from above criteria, no other performance linked incentives or any other fees are paid to any of the Directors.

**THE NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS WERE PAID SITTING FEES FOR ATTENDING THE MEETINGS OF THE BOARD AND COMMITTEES. THE SITTING FEES PAID TO THE DIRECTORS IS GIVEN BELOW:**

| Name of the Director | Sitting Fees Paid (₹ In Lakhs) | No. of Equity Shares held |
|---|---|---|
| Mr. Alok Prasad | 2.61 | - |
| Mr. Yash Shah | 2.11 | - |
| Mr. Aakash Patel | Nil | - |
| Mrs. Ritaben Patel | 0.74 | 4,36,089 |
| Ms. Geeta Solanki | 0.93 | - |
| Mr. Pinakin Shah | 1.98 | |

During financial year 2025-26, there were no pecuniary relationship/transactions of any non–executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During financial year 2025-26, the Company did not advance any loans to any of its directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

## 4. Particulars of Senior Management:

As on March 31, 2026, the following officials are categorized under Senior Management Personnel category (Other than Board members):

| S. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Vivek Modi | Executive Director & Group CFO |
| 2. | Mr. Mahendar Pinninti | Product Head - MSME & Rural TW |
| 3. | Mr. Moorthy Govindarajan | Chief Risk Officer |
| 4. | Mr. Saravanan Jaichandran | Group Head - HR |
| 5. | Mr. Manoj Jha | Chief Information Officer |
| 6. | Mr. Atul Patel | Chief Accountant |
| 7. | Mr. Nitesh Mishra | Internal Audit Head |
| 8. | Mr. Uttam Patel | Company Secretary & Compliance Officer wef June 20, 2025 |
| 9. | Mr. Ankit Laddha | Chief Compliance Officer |

During the year under review, Mr. Uttam Patel was appointed as Company Secretary & Compliance Officer w.e.f. June 20, 2025, succeeding Mr. Jaimish Patel, who resigned w.e.f. May 17, 2025. Further, Mr. Dipak Chavada, Mr. Rupesh Trivedi, Mr. Prashant Modi, i, Mr. Kamlesh Garg and Mr. Nagesh Kumar Goudelly ceased to be categorized as Senior Management Personnel w.e.f. February 12, 2026, pursuant to changes in the reporting structure and internal organizational alignment. They continue to be associated with the Company in their respective roles. Mr. Sanjeev Mishra Chief Operating Officer - Micro Finance, continue as SMP in Namra Finance Limited, wholly owned subsidiary. Apart from the above, there were no other changes in the Senior Management Personnel during FY 2025-26.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- **Brief description of Terms of Reference**

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of Section 178 of the Act and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders' Relationship Committee is primarily responsible for redressal of shareholders' / investors' / security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

The Stakeholders Relationship Committee meeting held on February 12, 2026

- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Alok Prasad<br>Independent Director | Chairman | 13-10-2018 | 1 | 1 |
| 2. | Mr. Yash Kaushik Shah<br>Independent Director | Member | 13-11-2021 | 1 | 1 |
| 3. | Mr. Jayendra Bhailalbhai Patel<br>Whole time Director | Member | 25-05-2018 | 1 | 1 |

- **SHARE TRANSFER COMMITTEE**

The Stakeholder Relationship Committee has delegated power of approving transfer of securities to Share Transfer Committee comprising of Mr. Jayendra Patel and Mr. Aalok Patel. The Committee reviews and approves the transfer/ transmission/ D-mat of equity shares as submitted by Bigshare Services Private Limited, the Registrar & Transfer Agent of the Company.

- **INVESTOR COMPLAINTS:**

During the financial year 2025-26, the Company did not receive any complaints from its investors/shareholders. As on March 31, 2026, there were no unresolved or pending investor complaints. The quarterly statements relating to investor complaints received and disposed of during the respective quarters were filed with the Stock Exchanges within 21 days from the end of each quarter in the prescribed Integrated Governance Report and were also placed before the subsequent meetings of the Board of Directors for its information and noting

## 6. CORPORATE SOCIAL RESPONSIBILITY MEETING

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Corporate Social Responsibility Committee are in line with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended by the Companies (CSR Policy) Amendment Rules, 2021 and Companies (CSR Policy) Amendment Rules, 2026), Schedule VII of the Companies Act, 2013, and the Companies (Amendment) Act, 2020. The Committee discharges such duties and functions as generally indicated thereunder and such other functions as may be specifically assigned to it by the Board from time to time.

The Corporate Social Responsibility Committee meeting held on August 13, 2025



- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Jayendra Patel<br>Whole time Director | Chairman | 26-03-2021 | 1 | 1 |
| 2. | Mr. Aalok Patel<br>Vice Chairman & Managing Director | Member | 26-03-2021 | 1 | 1 |
| 3. | Mr. Alok Prasad<br>Chairman & Independent Director | Member | 26-03-2021 | 1 | 1 |

**Note:** There were no changes to the Committee during FY 2025-26. Subsequently, on June 09, 2026, the Board reconstituted the Committee by appointing Mr. Pinakin Shah and Ms. Geeta Solanki in place of Mr. Aalok Patel and Mr. Alok Prasad.

## 7. FINANCE & INVESTMENT COMMITTEE

- **Brief description of Terms of Reference**

The key role and responsibilities of the Finance & Investment Committee are as follows:

i. To obtain secured/unsecured loan, not exceeding the limit prescribed under section 180(1)(c) of the Companies Act, 2013 from time to time as may be required for the purposes of the business of the Company;

ii. To raise fund through NCDs / portfolio sale / securitization / direct assignments of book debts;

iii. To enter into routing transactions with banks / financial institutions;

iv. To make short term investments on behalf of the Company;

v. To grant loan/giving guarantee(s) or providing any security(s) to banks, financial institutions or any other lending institutions, firms, proprietorship concern, bodies corporate, companies or persons, in one or more tranches, and on such other terms and conditions in the interest of the subsidiary Company.

- **Composition**

The Finance & Investment Committee comprises Mr. Aalok Patel as Chairman, Mr. Jayendra Patel and Mr. Vivek Modi as Member. The Committee meets periodically, as required, to discharge its responsibilities and oversee matters within the scope of its Terms of Reference. The Committee reviews and deliberates on financial and investment matters and ensures appropriate oversight in accordance with the applicable policies and regulatory requirements.

## 8. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the risk management plan of the Company

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Risk Management Committee are in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended by the SEBI (LODR) (Second Amendment) Regulations, 2021 and SEBI (LODR) (Amendment) Regulations, 2025); and the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Scale Based Regulation) Directions, 2023 (as amended by the RBI Amendment Directions, 2026), and the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (as amended from time to time). The Committee discharges such duties and functions as generally indicated thereunder and such other functions as may be specifically assigned to it by the Board from time to time.

The Risk management Committee met 4 (four) times on June 26, 2025, September 26, 2025, December 30, 2025 and March 28, 2026.

- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Alok Prasad<br>Chairman & Independent Director | Chairman | 05-01-2022 | 4 | 4 |
| 2. | Mr. Jayendra Patel<br>Whole time Director | Member | 12-04-2018 | 4 | 2 |
| 3. | Mr. Aalok Patel<br>Vice Chairman & MD | Member | 12-04-2018 | 4 | 4 |
| 4. | Mr. Vivek Modi<br>Executive Director & Group CFO | Member | 12-04-2018 | 4 | 4 |
| 5. | Mr. Govindrajan Moorthy<br>Chief Risk Officer | Member | 14-08-2024 | 4 | 4 |

## 9. ASSET & LIABILITY MANAGEMENT COMMITTEE

The Asset-Liability Management Committee has been constituted under RBI Master Directions and in line with regulations / directions and guidelines issued by the Reserve Bank of India.

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Asset & Liability Management Committee are in line with the provisions of the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 (Notification No. RBI/DoR/2025-26/355, dated November 28, 2025), which consolidated and repealed all earlier ALM guidelines applicable to NBFCs, and the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (as amended from time to time). The Committee discharges such duties and functions as generally indicated thereunder and such other functions as may be specifically assigned to it by the Board from time to time.

The Asset-Liability Management Committee met 4 (four) times on June 26, 2025, September 26, 2025, December 30, 2025 and March 28, 2026.

- **Composition and Attendance Details**

| SRN | Name of Director & Category | Chairman / Member | Member Since | No. of meetings held during the tenure | No. of meetings attended |
|---|---|---|---|---|---|
| 1. | Mr. Jayendra Patel<br>Whole time Director | Chairman | 12-04-2018 | 4 | 2 |
| 2. | Mr. Aalok Patel<br>Vice Chairman & Managing Director | Member | 12-04-2018 | 4 | 4 |
| 3. | Mr. Vivek Modi<br>Executive Director & Group CFO | Member | 12-04-2018 | 4 | 4 |
| 4. | Mr. Govindrajan Moorthy<br>Chief Risk Officer | Member | 14-08-2024 | 4 | 4 |

There were no circumstances where board had not accepted any recommendation of any committee of the board during the year.



## 10. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTOR

The Nomination and Remuneration Committee is empowered by the Board to carry out the entire performance evaluation process. Further, at a separate meeting of Independent Director held on February 13, 2026, the performance of individual Directors, the Board as a whole, and the Chairman was evaluated. The Director whose performance was being evaluated did not take part in such evaluation. Evaluation form on various parameters enumerated below:

- **Board Evaluation**

Strategy, Composition, performance management, financial performance, execution, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

- **Executive Directors Evaluation**

Leadership, Initiative in terms of new ideas and planning for the Company, Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, community involvement and image building, interface with industry forums etc.

- **Independent Directors Evaluation**

Participation, managing relationship, ethics and integrity, objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

- **Chairman Evaluation**

Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

- **Committees Evaluation**

Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

## 11. GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings ("AGM") were held as under:

| Year & No of AGM | Venue of A.G.M | Day, Date & Time | No. of Special Resolutions |
|---|---|---|---|
| 2022-23 (31st) | Virtual Meeting | Friday, September 29, 2023 at 12.00 p.m. | 6 |
| 2023-24 (32nd) | Virtual Meeting | Friday, September 27, 2024 at 12.00 p.m. | 4 |
| 2024-25 (33rd) | Virtual Meeting | Monday, September 29, 2025 at 12.00 p.m. | 2 |

- **Details of Resolution Passed through Postal Ballot**

The shareholders of the Company have, by way of postal ballot, passed special resolutions for the re-designation and approval of terms of appointment of Mr. Jayendrabhai Bhailalbhai Patel as Whole-Time Director and Mr. Aalok Jayendra Patel as Vice Chairman & Managing Director for a term of 5 years, effective from February 12, 2026. The consolidated result of the postal ballot was announced on April 10, 2026. Mr. Gautam Virsadiya, Practicing Company Secretary (M/s. GKV & Associates) was appointed as Scrutiniser to scrutinise the process of postal ballot. The Company provided a remote e-voting facility to the shareholders to cast their votes on the resolutions mentioned in the postal ballot notice through National Securities Depository Limited (NSDL). The voting details are as follows:

| Voting Particulars | Details |
|---|---|
| Voting Period | Commenced on Thursday, March 12, 2026 at 9:00 am (IST) and ended on Friday, April 10, 2026 at 5:00 pm (IST) |
| Members as on Cut – off date (March 06, 2026) | 35,049 |
| Announcement of Consolidated Results | April 10, 2026 |

i. **Re-Designation of Mr. Jayendrabhai Bhailalbhai Patel (DIN: 00011814) from Vice Chairman & Managing Director to Whole-time Director of the Company**

Voting Result:

| Particulars | Number of Votes | Percentage (%) |
|---|---|---|
| Number of valid Electronic Votes received | 40,66,457 | - |
| Votes in favour of the resolution | 40,49,695 | 99.59% |
| Votes against the resolution | 16,762 | 0.41% |

ii. **Re-Designation of Mr. Aalok Jayendra Patel (DIN: 02482747) from Joint Managing Director to Vice Chairman & Managing Director of the Company**

Voting Result:

| Particulars | Number of Votes | Percentage (%) |
|---|---|---|
| Number of valid Electronic Votes received | 40,66,457 | - |
| Votes in favour of the resolution | 40,49,695 | 99.59% |
| Votes against the resolution | 16,762 | 0.41% |

**Procedure for Postal Ballot:**

The postal ballot process was carried out in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder and read with various circulars issued by the Ministry of Corporate Affairs (collectively "MCA Circulars") and the SEBI (LODR) Regulations, 2015.

Further, except the items explicitly mentioned above, no other special resolution was passed through postal ballot during the F.Y. 2025-26. If any resolution is proposed or required to be passed by way of a postal ballot in the future, the Company will duly follow the process as per prevailing regulatory requirements.

## 12. DISCLOSURES

**Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Code has been disseminated through the Company's website for easy access to the Insider.

**Disclosure on Material Significant Related Party Transactions**

During the F.Y. 2025-26, there were no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have a potential conflict with the interests of the Company at large.

All related party transactions require prior approval of the Audit Committee. Accordingly, all transactions are placed before the Audit Committee for prior approval / omnibus approval, and a statement of all such transactions is reviewed by the Audit Committee and the Board on a quarterly basis.. The Register under Section 189 (read with Section 188) of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

The Board has laid down a policy on dealing with related party transactions and it is posted on the Company's website at the link https://armanindia.com/policyncode.aspx ? Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions.



**Whistle Blower Policy**

The Company has implemented a Whistle Blower Policy (Vigil Mechanism) in line with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby employees, directors, and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets of the Company. The policy safeguards the whistle blowers who report concerns or grievances and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no personnel has been denied access to the Audit Committee. The details of the Whistle Blower Policy are available on the Company's website at the following web link: https://armanindia.com/policyncode.aspx →Whistle Blower Policy

**Reconciliation of Share Capital Audit Report**

Pursuant to the provisions of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a quarterly audit is being undertaken by a Practising Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total number of shares held in CDSL, NSDL and those in physical form tally with the total issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with both the stock exchanges and is also placed before the respective meetings of the Board of Directors.

**Subsidiary Company**

Namra Finance Limited is a material subsidiary of the Company pursuant to Regulations 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") . The audited annual financial statements of Namra Finance Limited are placed before the Audit Committee and the Board of the company. The minutes of the Board Meetings of the subsidiary company held during the respective quarter are regularly circulated to all the Directors and are tabled at the Board meetings. The Board also reviews the compliances made by the subsidiary and a statement of all significant transactions and arrangements entered into by the subsidiary on a periodic basis. The web link of the policy for determining material subsidiaries is https://armanindia.com/policyncode.aspx → Policy For Material Subsidiary. The details of the Subsidiary Companies are as under

| Name | Date & Place of Incorporation | Statutory Auditors |
|---|---|---|
| Namra Finance Limited | Date of Incorporation: 27/03/2012<br>Place: Ahmedabad | M/s Talati & Talati LLP, Chartered Accountants (FRN 110758W/W100377), were appointed as Statutory Auditor effective from the conclusion this 13th AGM till the conclusion of 16th AGM to be held in calendar year 2028 (For FY 2025-26 to FY 2027-28) |

**Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a policy for the prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, the details of complaints received and disposed of during the financial year 2025-26 are as under:

| | |
|---|---|
| Number of complaints filed during the financial year | Nil |
| Number of complaints disposed of during the financial year | Nil |
| Number of complaints pending as on end of the financial year | Nil |

**Certificate from Company Secretary in Practice regarding Appointment and Continuation of Directors**

Pursuant to Schedule V(c)(10)(h)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the Certificate from a Practising Company Secretary certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI / MCA or any such authority. The said certificate is annexed to this Report.

**Familiarization Programme**

The Company, in compliance with Regulation 25(7) and Schedule V(C)(2)(g) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has apprised and familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis and the details of such familiarization programme are available at https://armanindia.com/policyncode.aspx ? Familiarization Programme.

All new Directors inducted into the Board, if any during the year under review are introduced to the Company through appropriate orientation sessions. Presentations are made by the senior management officers to provide an overview of the Company's operations and to familiarize the new Directors with the operations. They are also introduced to the organization's culture, services, constitution, Board procedures, and matters reserved for the Board.

**Strictures and Penalties**

In terms of Schedule V(C)(10)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, No penalties or strictures were imposed on the Company by stock exchanges or SEBI or any regulatory or statutory authorities on any matter related to capital markets, during the last three years.

**Breach of Covenant**

During the financial year, the Company did not breach any financial covenants pertaining to its listed Non-Convertible Debentures (NCDs) and has duly fulfilled all its related obligations on a timely basis.

**Divergence in Asset Classification and Provisioning**

In terms of the Reserve Bank of India (RBI) guidelines and relevant disclosure requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to disclose divergences in asset classification and provisioning if:

(I) The additional provisioning requirements assessed by the Reserve Bank of India exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period

(II) The additional Gross NPAs identified by the Reserve Bank of India exceeds 5 percent of the reported Gross NPAs for the reference period.

Both of the aforementioned clauses are not applicable to the Company for the financial year 2025-26, and no disclosure is required to be made in this regard.

## 13. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are submitted to the Stock Exchanges immediately after the Board approves the same. Thereafter, the same were published in the newspapers - English and Gujarati language editions in Ahmedabad. Disclosures pursuant to various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are promptly communicated to the Stock Exchanges. The Press Release / Presentation on quarterly result was made at the end of each quarter for the benefit of the investors and analysts the said Press Releases / Presentation are available on the website of the stock exchanges as well as the Company's website. Senior Management of the Company interacts with the interested stakeholders via Conference call to discuss on financial performance of the Company after declaring the results on every quarter. The audio recordings, transcripts of the Conference call are also available on the website of the Company at www.armanindia.com.

## 14. GENERAL SHAREHOLDER INFORMATION

**a) Address for Correspondence**

All enquiries, clarification and correspondence should be addressed to the Compliance Officer at the following Addresses.

**(1) Company Communication Address**

502-503, Sakar III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014, Gujarat
Phone: +91-79-40507000; E-mail: finance@armanindia.com



Pursuant to SEBI Listing Regulations, the following Email id has been exclusively designated for communicating investor grievances:
Email Id: secretarial@armanindia.com
Name of Compliance Officer: Mr. Uttam Patel

**(2) Bigshare Services Private Limited (Registrar & Share Transfer Agent)**

Office No. 303, Sun Square Complex,
Near Chakradhari Society Bus Stop,
Girish Cold Drinks, C.G. Road, Navrangpura,
Ahmedabad,Gujarat,380009
Contact No. 079 – 49196459,
E-mail: bssahd@bigshareonline.com
Website: www.bigshareonline.com

**b) Details of Debenture Trustee:**

- Catalyst Trusteeship Limited
  Unit No-901, 9th Floor,
  Tower-B, Peninsula Business Park,
  Senapati Bapat Marg, Lower Parel (W),
  Mumbai-400013
  Tel: 022-4922 0555
  E-mail: dt.mumbai@ctltrustee.com
  Website: www.catalysttrustee.com

- IDBI Trusteeship Services Limited
  Universal Insurance Building,
  Ground Floor, Sir P.M Road, Fort Mumbai,
  Maharashtra – 400 001
  Tel: 022-40807000,
  022-66311776
  E-mail: itsl@idbitrustee.com
  Website: www.idbitrustee.com

- Vardhman Trusteeship Private Limited
  The Capital, A Wing, 412A,
  Bandra Kurla Complex, Bandra (East)
  Mumbai 400 051
  Tel: 022-4264 8335
  E-mail: compliance@vardhmantrustee.com
  Website: www.vardhmantrustee.com

**c) Annual General Meeting**

The 34th Annual General Meeting will be held on Monday, September 28, 2026 at 12.00 pm through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

**d) Tentative Financial Calendar**

First Quarter results: **On or before August 14, 2026**
Second Quarter and Half-yearly results: **On or before November 14, 2026**
Third Quarter results: **On or before February 14, 2027**
Annual Audited Financial results (FY 2026-27): **On or before May 30, 2027**
Annual General Meeting (for FY 2026-27): **September 2027**

**e) Dividend Payment**

In order to conserve the capital, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting.

**f) Transfer of Unclaimed amounts to Investor Education and Protection Fund**

The Investors are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due date before the entire amount of unclaimed dividend amount is transferred to central governments' investor education and protection fund.

**g) Listing on Stock Exchanges and Security Codes / Symbol**

- BSE Limited (BSE) (Security Code: 531179)

  Address: 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India

- National Stock Exchange of India Limited (Symbol: ARMANFIN)

  Address: Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India.

The Non-Convertible Debentures are listed exclusively on the Wholesale Debt Market (WDM) segment of BSE Limited.

The Annual Listing fee for the year 2026-27 has been paid to both the exchanges. The Company has also paid the Annual Custodial fees to both the depositories.

**h) Share transfer system**

In terms of SEBI master circular no SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares. Accordingly, Shareholders are requested to make such service requests by submitting a duly filled and signed Form ISR – 4, the format of the form is available on the Company's website at https://armanindia.com/OtherReports.aspx?Page=Other-Disclousers. The Company has signed tripartite agreements with both the depositories i.e National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The transfer of shares in electronic mode does not require seperate approval by the Company.

**i) Distribution of Shareholding as on March 31, 2026**

- On the basis of Share held:

| SRN | Category (Shares) | Electronic | | Physical | | Total | |
|---|---|---|---|---|---|---|---|
| | | Shares | % to total shares | Shares | % to total shares | Shares | % to total shares |
| 1 | 1-500 | 1990045 | 18.93 | 62010 | 0.59 | 2052055 | 19.52 |
| 2 | 501-1000 | 580514 | 5.52 | 6800 | 0.07 | 587314 | 5.59 |
| 3 | 1001-2000 | 529722 | 5.04 | 4300 | 0.04 | 534022 | 5.08 |
| 4 | 2001-3000 | 327653 | 3.12 | 2200 | 0.02 | 329853 | 3.14 |
| 5 | 3001-4000 | 212417 | 2.02 | 0 | 0 | 212417 | 2.02 |
| 6 | 4001-5000 | 126832 | 1.21 | 0 | 0 | 126832 | 1.21 |
| 7 | 5001-10000 | 455919 | 4.34 | 0 | 0 | 455919 | 4.34 |
| 8 | Above10000 | 6214509 | 59.10 | 0 | 0 | 6214509 | 59.10 |
| | **TOTAL** | 10437611 | 99.28 | 75310 | 0.72 | 10512921 | 100.00 |

- On the basis of Category:

| SRN | Category | Total Shareholders | Total Shares | % of Shares |
|---|---|---|---|---|
| 1 | Promoter Group | 13 | 23,12,793 | 22.00 |
| 2 | Elevation Capital V Limited (Foreign Company) | 1 | 8,78,607 | 8.36 |
| 3 | Mutual Funds | 4 | 61,525 | 0.59 |
| 4 | Bodies Corporate | 354 | 5,52,784 | 5.26 |
| 5 | Foreign portfolio investor | 27 | 2,74,448 | 2.61 |
| 6 | Central /State Government | 1 | 30 | 0.00 |
| 7 | Public | 32,437 | 50,54,530 | 48.08 |
| 8 | Alternate Investment Funds | 9 | 3,77,827 | 3.59 |
| 9 | IEPF Authority | 1 | 1,93,860 | 1.84 |
| 10 | NRI | 1,166 | 5,38,647 | 5.12 |
| 11 | Clearing Members | 6 | 1,16,825 | 1.11 |
| 12 | HUF | 591 | 1,46,971 | 1.40 |
| 13 | Trusts | 2 | 4,074 | 0.04 |
| | **Total** | **34,612** | **1,05,12,921** | **100.00** |

**j) Dematerialization of shares and liquidity**

The equity shares of the Company are traded compulsorily in the dematerialized form at BSE Limited and National Stock Exchange of India Limited and are under rolling settlement. Approximately 99.28% of the shares have been dematerialized. Shares held by promoters are all in dematerialized form. International Securities Identification Number (ISIN) for the equity share is INE109C01017.

Shares of the Company are available for dematerialization with NSDL & CDSL with whom the Company has established direct connectivity. The demat requests are continually monitored to expedite the process of dematerialization.

**k) Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2026**

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2026.

**l) Employees Stock Option Scheme**

There has been no material change in the ESOP Schemes during the year under review. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

During the financial year under the review, the Company has allotted 1,150 and 300 ordinary equity shares of ₹10/- each on May 16, 2025, and September 17, 2025, respectively, to the eligible employees of the Company / Subsidiary Company pursuant to the 'Arman Employee Stock Option Plan 2016'.

During the financial year under review, the Company has allotted 20,933 ordinary equity shares of ₹10/- each on September 17, 2025, to the eligible employees of the Company / Subsidiary Company pursuant to the 'Arman Employee Stock Option Plan 2023'.

**m) Plant Locations**

The Company is in the business of providing financial services and therefore Company has no plant.

**n) Commodity price risks and commodity hedging activities: N.A.**

**o) Credit Ratings**

During the year under review, Acuité Ratings & Research Limited (Acuite) reviewed the ratings on various bank facilities and on Non-Convertible Debentures (NCDs) of the Company and its subsidiary. Acuité has revised its rating for long term bank facility and NCDs to "ACUITE A-"; (Outlook Stable).

(Previously Acuite A (Outlook Negative)).

CARE Ratings Limited (CARE) has reaffirmed its rating for the company and its subsidiary for various NCDs to "CARE A-"; while revising the outlook to "Negative" (A minus; Outlook Negative).

(Previously CARE A- (minus) (Outlook Stable)).

The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 1' (MFI one) by CARE during the year 2025-26.

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The details of the Credit Ratings are mentioned in the Financial Statements forming part of this Annual Report.

**p) Details of utilization of funds raised**

During the year under review, the Company has raised the debt fund from Banks / Financial Institutions and by way of issuance of Non-Convertible Debentures. These debt funds have been utilized for the purpose for which the funds were raised.

q) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, or which may have a potential conflict with the interest of the Company at large.

**r) Compliance Certificate on Corporate Governance**

The Company has complied with all the mandatory requirements specified under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. There has been no non-compliance with any of the requirements of the Corporate Governance Report as specified in Schedule V read with Regulation 34(3) of the SEBI Listing Regulations. A certificate from the Practicing Company Secretary, Mr. Gautam Virsadiya, affirming compliance with the applicable requirements, is annexed to this Report.





# Declaration on adherence to the code of conduct under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the Board Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Board of Directors and senior management of Arman Financial Services Limited for the financial year ended March 31, 2026.

For, and on behalf of the Board
**Arman Financial Services Limited**

Place: Ahmedabad
Date: 12.08.2026

**Aalok Patel**
Managing Director
DIN: 02482747

# CEO-CFO CERTIFICATION

Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Aalok Patel, Vice Chairman & Managing Director and Vivek Modi, Executive Director & Group CFO do hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the financial year ending March 31, 2026 and that to the best of our knowledge and belief:

a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

a. significant changes in internal control over financial reporting during the year;

b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For, **Arman Financial Services Limited**

**Aalok Patel**
Vice Chairman & Managing Director
DIN: 02482747

**Vivek Modi**
Executive Director & Group CFO

Date: 12.08.2026
Place: Ahmedabad





# Corporate Governance Compliance Certificate

To,
The Members,
**Arman Financial Services Limited,**
(CIN: L55910GJ1992PLC018623)

We have examined the Compliance Conditions of Corporate Governance by Arman Financial Services Limited for the year ended on March 31, 2026 with respect to Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, I certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C.P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084943

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
**Arman Financial Services Limited,**
(CIN: L55910GJ1992PLC018623)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arman Financial Services Limited having CIN-L55910GJ1992PLC018623 and having registered office at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380014 Gujarat, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| SRN | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Alok Prasad | 00080225 | 01/08/2018 |
| 2. | Jayendrabhai Bhailalbhai Patel | 00011814 | 28/08/1995 |
| 3. | Aalok Jayendra Patel | 02482747 | 30/01/2007 |
| 4. | Yash Kaushik Shah | 02155636 | 02/09/2021 |
| 5. | Ritaben Jayendrabhai Patel | 00011818 | 26/11/1992 |
| 6. | Aakash Jayendrabhai Patel | 02778878 | 24/10/2000 |
| 7. | Geeta Haresh Solanki | 08212773 | 01/04/2020 |
| 8. | Pinakin Surendrai Shah | 00007695 | 14/08/2024 |

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

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C.P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084899





# Annexure–5

## Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

## For Financial Year 2025-26

The Nomination and Remuneration Committee (Compensation Committee) of the Company, inter alia, administers and monitors the Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman Employee Stock Option Plan 2023 ("ESOP Plan 2023") of the Company in accordance with applicable SEBI regulations.

A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in Note no. 41 of the Notes to Accounts forming part of the Annual Report 2025-26 of the Company.

B. Diluted earnings per share pursuant to the issue of share on exercise of options will be calculated in accordance with relevant Accounting Standard issued by ICAI when shares will be allotted from time to time.

C. Details related to Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman -Employee Stock Option Plan – 2023 ("ESOP Plan 2023"):

**a. The description of the existing scheme is summarized as under:**

| SRN | Particulars | ESOP 2016 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Grant I May 26, 2017 (Option Granted 97,500) | Grant II May 25, 2018 (Option Granted 9,000) | Grant III October 13, 2018 (Option Granted 2,500) | Grant IV February 12, 2021 (Option Granted 3,500) | Grant V February 14, 2022 (Option Granted 2,000) | Grant VI February 14, 2023 (Option Granted 4,500) | Grant VII August 14, 2023 (Option Granted 1,000) |
| a) | Date of shareholders' approval | September 22, 2016 | | | | | | |
| b) | Total number of options approved under ESOP | 1,25,000 options | | | | | | |
| c) | Vesting requirements | The options would vest not earlier than one year and later than three years from the date of grant of options. | | | | | | |
| d) | Exercise price or ~~pricing formula~~ | ₹ 50/- | | | | | | |
| e) | Maximum term of options granted | 3 years | | | | | | |
| f) | Source of shares | Primary | | | | | | |
| g) | Variation in terms of options | None | | | | | | |

| SRN | Particulars | ESOP Plan 2023 | | |
|---|---|---|---|---|
| | | Grant I August 14, 2023 (Option Granted 1,48,600) | Grant II August 14, 2024 (Option Granted 12,350) | Grant II August 13, 2025 (Option Granted 8,100) |
| a) | Date of shareholders' approval | July 4, 2023 | | |
| b) | Total number of options approved under ESOP | 3,00,000 options | | |
| c) | Vesting requirements | The options would vest not earlier than one year and later than four years from the date of grant of options. | | |
| d) | Exercise price or ~~pricing formula~~ | ₹ 500/- | | |
| e) | Maximum term of options granted | 4 years | | |
| f) | Source of shares | Primary | | |
| g) | Variation in terms of options | None | | |

b. Method used to account for ESOP: **Intrinsic Value**

c. The difference between the employee compensation cost so computed as per intrinsic value and the employee compensation cost if Company would have used the fair value of the options and the impact of this difference on profits and on EPS of the Company: **Not Applicable**

d. Option movement during the year:

| ESOP 2016 | |
|---|---|
| **Particulars** | **Details** |
| Number of options outstanding at the beginning of the period | 2,850 |
| Number of options granted during the year | -- |
| Number of options forfeited / lapsed during the year | -- |
| Number of options vested during the year | 1,450 |
| Number of options exercised during the year | 1,450 |
| Number of shares arising as a result of exercise of options | 1,450 |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | ₹ 72,500/- |
| Loan repaid by the Trust during the year from exercise price received | N.A. |
| Number of options outstanding at the end of the year | 1,400 |
| Number of options exercisable at the end of the year | 1,000 |

| ESOP Plan 2023 | |
|---|---|
| **Particulars** | **Details** |
| Number of options outstanding at the beginning of the period | 1,12,956 |
| Number of options granted during the year | 8100 |
| Number of options forfeited / lapsed during the year | 10,600 |
| Number of options vested during the year | 20,933 |
| Number of options exercised during the year | 20,933 |
| Number of shares arising as a result of exercise of options | 20,933 |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | ₹ 1,04,66,500 /- |
| Loan repaid by the Trust during the year from exercise price received | N.A. |
| Number of options outstanding at the end of the year | 89,523 |
| Number of options exercisable at the end of the year | 1,254 |



e. Weighted-average exercise prices and weighted-average fair values of that options whose exercise price either equal or exceed or is less than the market price of the stock:

| Particulars | Weighted average exercise price | Weighted average fair value of options |
|---|---|---|
| Exercise price equals/exceeds than market price of the stock | Not Applicable | Not Applicable |
| Exercise price less than market price of the stock (**ESOP 2016**) | ₹ 50/- | ₹ 1,698.99/- |
| Exercise price less than market price of the stock (**ESOP Plan 2023)** | ₹500/- | ₹ 1,820.06/- |

f. Employee-wise details of options granted during the financial year 2025-26:

i. Senior managerial personnel:

| ESOP Plan 2023 | | | |
|---|---|---|---|
| **Name of Employee** | **Designation** | **No of Options Granted during the year** | **Exercise Price** |
| Vivek Modi | Executive Director & Group CFO | 1,000 | ₹ 500/- |
| Manoj Jha | Chief Information Officer | 1,000 | ₹ 500/- |
| Saravanan Jaichandran | HR Head | 750 | ₹ 500/- |
| Uttam Patel | Company Secretary & Compliance Officer | 650 | ₹ 500/- |

ii. Other Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year: **Nil**

iii. employees who were granted option, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: **Nil**

g. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

**ESOP 2016**

| i. | Weighted-average values of: | Details | | | |
|---|---|---|---|---|---|
| | **Grant trench** | **Grant VI** | | **Grant VII** | |
| | **Vesting Date** | **14.02.2025** | **14.02.2026** | **14.08.2025** | **14.08.2026** |
| ii. | Share price at grant date | ₹ 1511/- | ₹ 1511/- | ₹ 2,308/- | ₹ 2,308/- |
| | Exercise price | ₹ 50/- | ₹ 50/- | ₹ 50/- | ₹ 50/- |
| | Expected volatility | 22.02% | 22.02% | 45.00% | 45.00% |
| | Expected option life | 2.12 years | 3.12 years | 2.12 years | 3.12 years |
| | Expected dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| | The risk-free interest rate | 7.31% | 7.39% | 7.29% | 7.31% |
| | Any other inputs to the model | N.A. | N.A. | N.A. | N.A. |
| | Fair Value of Option | ₹ 1468.18 | ₹ 1471.30 | ₹ 2265.16 | ₹ 2268.20 |
| iii | The method used and the assumptions made to incorporate the effects of expected early exercise | Black – Scholes Method | | | |

| | | |
|---|---|---|
| iv | How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price. |
| v. | Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition | N.A. |

**ESOP Plan 2023**

| I | Weighted-average values of: | Details | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| II | Grant trench | Grant I | | | | Grant II | | | | Grant III | | | |
| III | Vesting Date | 14.08.2024 | 14.08.2025 | 14.08.2026 | 14.08.2027 | 14.08.2025 | 14.08.2026 | 14.08.2027 | 14.08.2028 | 13.08.2026 | 13.08.2027 | 13.08.2028 | 13.08.2029 |
| IV | Share price at grant date | ₹ 2,308/- | ₹ 2,308/- | ₹ 2,308/- | ₹ 2,308/- | ₹ 1,798.40/- | ₹ 1,798.40/- | ₹ 1,798.40/- | ₹ 1,798.40/- | ₹ 1,379.40/- | ₹ 1,379.40/- | ₹ 1,379.40/- | ₹ 1,379.40/- |
| | Exercise price | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- | ₹ 500/- |
| | Expected volatility | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% | 45.00% |
| | Expected option life | 2 years | 3 years | 4 years | 5 years | 2 years | 3 years | 4 years | 5 years | 2 years | 3 years | 4 years | 5 years |
| | Expected dividend yield | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | The risk-free interest rate | 7.31% | 7.31% | 7.33% | 7.33% | 6.85% | 6.91% | 6.92% | 6.88% | 6.24% | 6.49% | 6.54% | 6.74% |
| | Any other inputs to the model | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Fair Value of Option | ₹ 1876.55 | ₹ 1909.50 | ₹ 1941.18 | ₹ 1970.87 | ₹ 1348.14 | ₹ 1382.15 | ₹ 1415.13 | ₹ 1445.70 | ₹ 945.12 | ₹ 982.36 | ₹ 1016.10 | ₹ 1049.35 |
| V. | The method used and the assumptions made to incorporate the effects of expected early exercise | Black – Scholes Method | | | | | | | | | | | |
| VI | How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price. | | | | | | | | | | | |
| VII | Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition | N.A. | | | | | | | | | | | |



# Annexure–6

## CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 134(3)(o)of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **Brief outline of Companies CSR Policy:**

   Arman Financial Services Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. **Composition of CSR Committee:**

   The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

| SRN | Name of Director | Designation of the Committee | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Jayendra Patel | Chairman | 1 | 1 |
| 2. | Mr. Alok Prasad | Member | 1 | 1 |
| 3. | Mr. Aalok Patel | Member | 1 | 1 |

With effect from June 09, 2026

1. Mr. Alok Prasad and Mr. Aalok Patel ceased to be member of the Committee
2. Ms. Geeta Solanki and Mr. Pinakin Shah appointed as member of the Committee

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://armanindia.com/OtherReports.aspx?Page=Other-Disclousers

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

5. **(a) Average net profit of the Company as per section 135(5):** ₹ 46,86,23,561/-

   **(b) Two percent of average net profit of the company as per section 135(5):** ₹ 93,72,471/-

   **(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   **(d) Amount required to be set off for the financial year, if any:** Nil

   **(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 93,72,471/-

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 93,75,000/-

   **(b) Amount spent in Administrative Overheads:** Nil

   **(c) Amount spent on Impact Assessment, if applicable:** Nil

   **(d) Total amount spent for the Financial Year [(a)+(b)+(c)].:** ₹ 93,75,000/-

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of Transfer | Name of Fund | Amount | Date of Transfer |
| ₹ 93,75,000/- | Nil | - | - | - | - |

(f) Excess amount for set-off, if any: Nil

| Sr. No. | Particular | Amount (in ₹) |
|---|---|---|
| i. | Two percent of average net profit of the company as per sub-section (5) of section 135 | ₹ 93,72,471/- |
| ii. | Amount set-off for the Financial Year | Nil |
| iii. | Amount to be spent for the Financial Year [(i)-(ii)] | ₹ 93,75,000/- |
| iv. | Total amount spent for the Financial Year | ₹ 93,75,000/- |
| v. | Excess amount spent for the Financial Year [(iv)-(iii)] | - |
| vi. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| vi. | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | - |

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

| SRN | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of Transfer | |
| 1. | 2024-25 | 43,71,965/- | 29,62,365/- | - | - | - | **14,09,600/-** |
| 2. | 2023-24 | - | - | - | - | - | - |
| 3. | 2022-23 | - | - | - | - | - | - |

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable

For, **Arman Financial Services Limited**
**Jayendra Patel**
Whole time Director &
Chairman of CSR Committee
DIN-00011814

Place: Ahmedabad
Date : August 12, 2026





# Annexure-7

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L55910GJ1992PLC018623 |
| 2. | Name of the Company | Arman Financial Services Limited |
| 3. | Year of Incorporation | 1992 |
| 4. | Registered address | 502-503 Sakar-III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014 |
| 5. | Corporate address | 502-503 Sakar-III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014 |
| 6. | E-mail | finance@armanindia.com |
| 7. | Telephone | 079-40507000 |
| 8. | Website | www.armanindia.com |
| 9. | Financial year for which reporting is being done | April 1, 2025 to March 31, 2026 |
| 10. | Name of the Stock Exchange(s) where shares are listed | BSE Limited and National Stock Exchange of India Limited |
| 11. | Paid-up Capital | 10,51,29,210/- |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Name: Mr. Uttam Patel<br>Designation: Company Secretary & Chief Compliance Officer<br>E-mail Id: secretarial@armanindia.com<br>Contact Number: 079-40507000 |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis |
| 14. | Name of the Assurance Provider | N.A. |
| 15. | Type of assurance obtained | N.A. |

### II. Products/services

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

| Sr. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Financial service activities, except insurance and Pension funding | Two-wheeler Finance, MSME Finance, Loan Against Property (LAP) and Solar | 100.00% |

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

| Sr. No. | Product/Service | NIC Code | % of total Turnover Contributed |
|---|---|---|---|
| 1. | Two-wheeler Loan | 64990 | 9.87% |
| 2. | MSME Loan | | 80.82% |
| 3. | Loan Against Property (LAP) | | 5.60% |
| 4. | Solar | | 0.01% |
| 5. | Other | | 3.69% |

## III. Operations

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

| Location | Number of plants | Number of offices* | Total |
|---|---|---|---|
| National | N.A. | 125 | 125 |
| International | N.A. | N.A. | N.A. |

*includes branches and corporate office as on March 31, 2026.

**19. Markets served by the entity:**

**a) Number of locations:**

| Location | Number |
|---|---|
| National (No. of States) | 7 |
| International (No. of Countries) | N.A. |

**b) What is the contribution of exports as a percentage of the total turnover of the entity: Nil**

**c) A brief on types of customers:** Arman Financial Services Limited (AFSL), true to the meaning of its name ('Aspiration' or 'Wish'), bridges the gap between people's aspirations, wishes, and reality. A Reserve Bank of India (RBI) registered Non-Banking Finance Company with rural and semi-rural financing at the center of its business model, Arman provides affordable financing with simple, no-hassle loan products. We strive to support small and medium enterprises by providing tailored financial solutions in rural areas, while also offering assistance in the form of two-wheeler loans in rural and urban.

## IV. Employees

**20. Details as at the end of Financial Year:**

**a) Employees and workers (including differently abled):**

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 1753 | 1660 | 94.69% | 93 | 5.31% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total employee (D + E) | 1753 | 1660 | 94.69% | 93 | 5.31% |
| | **WORKERS** | | | | | |
| 1. | Permanent (F) | N.A. | | | | |
| 2. | Other than Permanent (G) | | | | | |
| 3. | Total workers (F + G) | | | | | |

**b) Differently abled Employees and workers:**

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | Nil | | | | |
| 2. | Other than Permanent (E) | | | | | |
| 3. | Total differently abled employees (D + E) | | | | | |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 1. | Permanent (F) | Nil | | | | |
| 2. | Other than Permanent (G) | | | | | |
| 3. | Total differently abled workers (F + G) | | | | | |



**21. Participation/Inclusion/Representation of women:**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors* | 8 | 2 | 25.00% |
| Key Management Personnel | 4 | 0 | 0 |

* Whole-time Director & Managing Director are counted in both BOD and KMPs.

**22. Turnover rate for permanent employees and workers**

| | FY 26 | | | FY 25 | | | FY 24 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 60.96% | 2.06% | 63.02% | 47.77% | 20.97% | 46.71% | 54.21% | 25.53% | 53.04% |
| Permanent Workers | N.A. | | | | | | | | |

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

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

| Sr No. | Name of the holding / subsidiary/ associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Namra Finance Limited | Subsidiary | 100% | No |

## VI. CSR Details

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

**(ii) Turnover :** 215.79 Crore

**(iii) Net worth :** 632.44 Crore

## VII. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (yes/ No) (If yes, then provide web-link for grievance redress policy) | FY 2025-26 Current Financial Year | | | FY 2024-25 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, https://armanindia.com/policyncode.aspx | - | - | NA | - | - | NA |
| Investors (other than shareholders) | Yes | - | - | NA | - | - | NA |
| Shareholders | Yes | 0 | 0 | NA | 4 | 0 | - |
| Employees and workers | Yes | 33 | 0 | | | - | |
| Customers | Yes | 50 | 1 | | 9 | - | - |
| Value Chain Partners | Yes | - | - | NA | - | - | NA |
| Other (please specify) | Yes | - | - | NA | - | - | NA |

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

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





| Sr No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1. | Corporate Governance | Risk & Opportunity | **Risk:** Poor corporate governance practices weaken the company's ability to capitalise business opportunities thereby resulting in financial loss es and loss of stakeholder's trust and confidence **Opportunity:** Strong corporate governance will result in increased stakeholder confidence and trust | The Company has well diversified Board, having vast experienced members of different expertise. The Board always strives to achieve the highest standard of good governance in both letter and spirit. | **Negative**: Legal costs **Positive**: Enhanced investor confidence, better credit terms, long-term enterprise valuation growth. |
| 2. | Regulatory & Legal Compliance | Risk & Opportunity | **Risk:** Violations of regulatory compliance often result in legal punishment, including fines and exclusion **Opportunity:** Legal and regulatory compliance enhances organisational credibility and increase the trust of the various stakeholders | Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks | **Positive**: Uninterrupted business operations, avoidance of financial penalties, and stronger relationships with lending banks and financial institutions. |
| 3. | Transparency and Disclosure | Opportunity | Transparency and disclosure help build stakeholder trust, gain investor confidence and long-term business success | N.A. | **Positive**: Improved investor confidence, reduced equity risk premium, lower cost of capital, and better access to institutional funding. |
| 4. | Return on Equity/ Return to Shareholders | Opportunity | ROE is a reflection of a company's profitability, financial health and business resilience. A strong ROE helps a business attract investors, gain greater access to capital and create value for stakeholders | N.A. | **Positive**: Higher net profit margins, enhanced market capitalization, easier capital mobilization, and sustained shareholder wealth creation. |
| 5. | Maintenance of Credit Ratings | Opportunity | Strong credit rating helps to borrow funds at much competitive rates which helps the Company to reduce the finance cost | N.A. | **Positive**: Improved Net Interest Margins (NIMs), enhanced liquidity buffers, and easier access to institutional debt markets. |
| 6. | Customer Relationship Management | Opportunity | Maintaining good business relationship with customers helps the Company to retain the customer base in a very competitive business environment | N.A. | **Positive**: Increased repeat borrowing, reduced customer acquisition costs, improved collection efficiency, and lower credit losses/NPAs. |
| 7. | Lending Practices | Opportunity | Lending Practices has been identified as a strategic Opportunity focused on promoting responsible, need-based lending that actively advances financial inclusion and deepens customer relationships. | N.A. | **Positive**: Increases loan volumes and interest income while strengthening repayment discipline and long-term profitability. |
| 8. | Privacy and Data Security | Opportunity | Human Capital Development represents a strategic opportunity that enhances workforce capability, productivity, and retention, thereby driving innovation, service quality, and overall business growth. | N.A. | **Positive**: Increased operational productivity, and stronger overall organizational capability. |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

c. Web Link of the Policies, if available

Policy Webpage:
https://armanindia.com/policyncode.aspx

**Principle 1: Ethics, Transparency & Accountability**

- Anti-Corruption & Anti-Bribery Policy
- Anti-Fraud Policy
- Fraud Risk Management Policy
- Whistle Blower Policy
- Code of Conduct for Directors & Senior Management
- Code for Independent Directors
- Code of Practices & Procedures for Fair Disclosure of UPSI
- Policy on Related Party Transactions
- Risk Management Policy & Compliance Management Policy
- IT Framework Policy & Information System Audit Policy
- Cyber Resilience Framework & Business Continuity Policy
- ESG Policy

**Principle 2: Sustainable & Safe Goods/Services**

- Fair Practice Code
- Credit Policy - MSME / ILC
- LAP Product Policy
- 2W Product Policy
- Policy for Transfer of Loan Exposures
- Compromise and Settlement Policy

**Principle 3: Employee Well-being**

- POSH Policy (Prevention of Sexual Harassment)
- Training Policy
- Policy for Remuneration
- Staff Accountability Policy
- Succession Planning Policy
- Code of Conduct

**Principle 4: Stakeholder Engagement**

- Policy for CSR
- Customer Grievance Redressal Policy
- Dividend Distribution Policy
- Policy for Determination of Materiality of Events
- ESG Policy

**Principle 5: Human Rights**

- POSH Policy
- Code of Conduct for Directors & Senior Management
- Fair Practice Code
- Whistle Blower Policy

**Principle 6: Environment Protection**

- Business Continuity Policy
- ESG Policy

**Principle 7: Responsible Public & Regulatory Policy**

- Anti-Corruption & Anti-Bribery Policy
- Compliance Management Policy
- ESG Policy

**Principle 8: Inclusive Growth & Equitable Development**

- Policy for CSR
- Credit Policy - MSME / ILC
- LAP Product Policy
- 2W Product Policy
- ESG Policy

**Principle 9: Consumer Responsibility & Value**

- Fair Practice Code
- Customer Grievance Redressal Policy
- Policy on KYC-AML-CFT
- Cyber Resilience Framework & ITIS Policy
- Cyber Crisis Management Plan & Incident Management
- Cyber Incident Escalation Matrix

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | No | No | No | No | No | No | No | No | |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The formulation of all policies has been guided by industry best practices and in compliance with regulatory mandates. | | | | | | | | |

| | |
|---|---|
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | The Company acknowledges its role in creating a positive impact by focusing on investor awareness and corporate social responsibility. We are also in due process to establish protocols to monitor the utilization of resources such as water, paper, and electricity consumption. The Company continuously takes measures to align its processes and controls with the principles of sustainable business practices. |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | The Company actively monitors and assesses the implementation of its action plan to ensure strict compliance with established norms. As on date, all targets are duly meet. |
| **Governance, leadership and oversight** | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | Arman resides in the heart of India – rural India. Our business is pivoted on uplifting the marginalized section of society. Ever since we started, we have taken small steps that have made a positive difference in the lives of millions.<br>Arman as an organisation has always practiced responsible business operations and ethical corporate behaviour. This is reflected in the Company's growing customer base and improving rating with credit rating agencies. These metrices testify the relevance of the business model and ethical business practices.<br>Having embedded some of the tenets of UN-SDGs (Reduced inequalities, gender equality etc.) since our inception, we remain steadfast on making a meaningful contribution towards a more prosperous and progressive nation.<br>We also look forward to scaling our endeavours in giving back to society and leaving behind a legacy of positive social impact. |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Name: Mr. Aalok Patel<br>Designation: Managing Director<br>DIN: 02482747 |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | No |

**10. Details of Review of NGRBCs by the Company**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other –please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | All policies approved by the Board and signed by the official who oversees the implementation of such policies. The Codes have been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually as per Regulation 26(3) of the SEBI Listing Regulations. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The company is in compliance to the extant with regulations as applicable. | | | | | | | | | | | | | | | | | |

**11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Evaluation is a continuous process and is done internally. No, external agency was involved for carrying assessment/ evaluation of the working of its policies.



**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | NA | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | NA | | | | | | | | |
| Any other reason (please specify) | NA | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

**Essential Indicators**

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

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| **Board of Directors &** Key Managerial Personnel | 4 | • A strategy meeting of the Board was held to discuss various matters, including MSME and Microfinance expansion prospects, rural credit demand, and strategic planning.<br>• Discussion on Code of Conduct for Directors and SMPs, Business Strategies, emerging trends in financial inclusion, and the Company's performance.<br>• Independent Directors were briefed on RBI's Master Directions for NBFC-MFIs, Asset Liability Management (ALM), and liquidity planning.<br>• Familiarization programmes for Independent Directors detailing their roles, rights, and responsibilities in Key Committees. | 100% |
| Employees other than BoD and KMPs | 102 | Induction, Employee Benefit, Carrer Growth, Fraud Prevention, IT Security, Collection Process, To Role Training, Code Of Conduct, Business Flow, Branch Hygine, Branch Safety, Zoho Introduction, Business Process, Collection, Reduce Rejection File, Customer Selection, Work Flow Process, Behavioral, Team Work, Process Flow, LMS, HR Policy & Process, Promotional, KYC, Customer Rejection Cases, Promotion, LAP Business | 100% |
| Workers | NA | | |

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

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

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

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

   Not Applicable

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

   The Company's anti-corruption or anti-bribery policy is covered under Procedure for Dealing with Cases of Misconduct in Acts of Misconduct of Standing order & Service rules, which is available on the intranet of the organization. https://armanindia.com/policycode.aspx

   The Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies, codes and charters. All the employees of the Company must adhere to the commitment of integrity and other responsible business conduct principles laid down in Employee Charter.

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

| | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | NA | NA |

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

| | FY 2025-26 (Current Financial year) | | FY 2024-25 (Previous Financial year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | Nil | Nil | Nil |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | Nil | Nil | Nil |

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

   **Not Applicable**

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

| | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| Number of days of accounts payables | Not Applicable | Not Applicable |

9. Open-ness of business

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

| Parameter | Metrics | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Not Applicable | |
| | b. Number of trading houses where purchases are made from | | |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | | |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | | |
| | b. Number of dealers / distributors to whom sales are made | | |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | | |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | Nil | Nil |
| | b. Sales (Sales to related parties / Total Sales) | Nil | Nil |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 9.27% | 0.00% |
| | d. Investments (Investments in related parties / Total Investments made) | 83.05% | 100% |

**Leadership Indicators**

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

   **Not Applicable**

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

   Yes, the company has a Code of Conduct policy for Board and KMPs. According to the policy "The Board Members and Senior Management Personnel" of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions.





## PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

**Essential Indicators**

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

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | Nil | Nil | Given its core focus on financial services, the Company's direct R&D and capital expenditures on environmental or social technologies are naturally limited.<br>Instead, resources are strategically channelled into digital platforms and tech-enabled solutions designed to:<br>1. Expand customer reach<br>2. Drive operational efficiencies<br>3. Advanced financial inclusion |
| Capex | Nil | Nil | |

2. a. Does the entity have procedures in place for sustainable sourcing?

   The Company provides financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people; hence we do not currently maintain records for sustainable sourcing. However, we nurture a culture of conservation of resources and encourage innovations that aid in reducing the dependence on natural resources.

   b. If yes, what percentage of inputs was sourced sustainably?

   Refer point 2(a) above

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

   **Not Applicable**

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

   **Not Applicable**

**Leadership Indicators**

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

| NIC Code | Name of product/service | Percentage of total turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by an independent external agency (Yes/No) | Results communicated in the public domain (Yes/No). If yes, provide the weblink. |
|---|---|---|---|---|---|
| Not applicable | | | | | |

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

| Name of the product/service | Description of the risk/concern | Action taken |
|---|---|---|
| | Not applicable | |

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

**Not Applicable**

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

| | 2025-26 (Current financial year) | | | 2024-25 (Previous financial year) | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely disposed | Re-used | Recycled | Safely disposed |
| Plastics (including packaging) | Not Applicable | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

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

**Not Applicable**

## PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### Essential Indicators

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

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E /A) | Number (F) | % (F/ A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1660 | 1245 | 75.00% | 1245 | 75.00% | 0 | 0 | 1245 | 75% | - | - |
| Female | 93 | 27 | 29.03% | 27 | 29.03% | 27 | 29.03% | 0 | 0% | - | - |
| **Total** | **1753** | **1272** | **72.56%** | **1272** | **72.56%** | **27** | **1.54%** | **1245** | **71.02%** | **-** | **-** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |



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

**Not Applicable**

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

| | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.38 % | 0.22% |

2. Details of retirement benefits, for Current Financial year and Previous Financial year.

| Benefits | FY 2025-2026 Current Financial Year | | FY 2024-2025 Previous Financial Year | |
|---|---|---|---|---|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | Y | 100% | Y |
| Gratuity | 100% | Y | 100% | Y |
| ESI | 30.29% | Y | 28% | Y |
| Others | - | - | - | - |

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

Our premises/offices are accessible to differently abled employees wherever they are employed.

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

The Company does not have a specific equal opportunity policy in place, but as per our recruitment policy, the Company does not discriminate on any factors like race, religion, caste, gender and any disabilities https://armanindia.com/policyncode.aspx

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

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

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

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | NA |
| Other than Permanent Workers | NA |
| Permanent Employees | Yes, the company has Vigil Mechanism/Whistle Blower Policy for this purpose |
| Other than Permanent Employees | NA |

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

| | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees/ Workers in respective category, who are part of association (s)/ Union (B) | % (B / A) | Total employees / workers in respective category (A) | No. of employees/ Workers in respective category, who are part of association (s)/ Union (B) | % (B / A) |
| **Total Permanent employees** | - | - | - | - | - | - |
| Male | - | - | - | - | - | - |
| Female | - | - | - | - | - | - |
| **Total Permanent Workers** | NA | | | NA | | |
| Male | | | | | | |
| Female | | | | | | |

8. Details of training given to employees and workers:

| Category | FY 2025-26 (Current Financial Year) | | | | | FY 2024-25 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and Safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1660 | 1660 | 100% | 1660 | 100% | 1106 | 1106 | 100% | 1106 | 100% |
| Female | 93 | 93 | 100% | 93 | 100% | 48 | 48 | 100% | 48 | 100% |
| **Total** | **1753** | **1753** | **100%** | **1753** | **100%** | **1154** | **1154** | **100%** | **1154** | **100%** |
| **Workers** | | | | | | | | | | |
| Male | N.A. | | | | | | | | | |
| Female | | | | | | | | | | |
| **Total** | | | | | | | | | | |

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

Performance appraisal was conducted during the year for all the eligible employees as per Company's policies.

| Benefits | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Total Permanent Employees** | **1753** | **1234** | **70.39%** | **1154** | **761** | **65.94%** |
| - Male | 1660 | 1172 | 70.60% | 1106 | 737 | 66.64% |
| - Female | 93 | 62 | 66.67% | 48 | 24 | 50.00% |
| **Total Permanent Workers** | N.A. | | | | | |
| - Male | | | | | | |
| - Female | | | | | | |



10. Health and safety management system:

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

The Company is committed towards health & safety of its employees and has undertaken various awareness programmes on safety protocols by conducting periodic trainings on fire safety and evacuation drills, internal communication and alerts are sent out to employees, etc.

The Company strongly pays its emphasis on both, the physical and mental well-being of its employees and has organised various workshops and discussions with well-being experts and medical practitioners. At the workplace, training programmes on the safety of women employees is mandatory for all employees. Further, the employees are covered under the following policies:

- Group Mediclaim Policy
- Group Personal Accident policy
- Work Compensation
- Group term life insurance policy
- Employee State & Insurance policy

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

The Company provides financial solutions and does not engage in manufacturing activities and hence the above is not applicable for us. However, the Company has proper health and safety management system in place as specified above in 10 (a).

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

**Not Applicable**

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

Yes. The Company has the following non-occupational medical and healthcare services for its employees:

- Group Mediclaim Policy
- Group Personal Accident policy

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

| Safety Incident/Number | Category | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Not Recorded | Not Recorded |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | Not Recorded | Not Recorded |
| | Workers | NA | NA |
| No. of fatalities | Employees | 07 | Nil |
| | Workers | NA | NA |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Not Recorded | Not Recorded |
| | Workers | NA | NA |

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

Refer 10(a) above

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

| Benefits | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health & Safety | Nil | Nil | Nil | Nil | Nil | Nil |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

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

No corrective actions pertaining to above mentioned parameters was necessitated by the Company during the year under review.

**Leadership Indicators**

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

The Company is having Group term life insurance policy in the event of death of Employees. (10Lakh per employee)

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

**Not Applicable**

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

| Gender | Total No. of effected employees/ Workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment. | |
|---|---|---|---|---|
| | FY 2025-26 (Current FY) | FY 2024-25 (Previous FY) | FY 2025-26 (Current FY) | FY 2024-25 (Previous FY) |
| Employees | Nil | Nil | Nil | Nil |
| Workers | NA | NA | NA | NA |

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

**Yes**

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed. |
|---|---|
| Health and safety practices | N.A. |
| Working Conditions | |

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

**Not Applicable**





## PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

**Essential Indicators**

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

The company recognizes and identifies key stakeholders as individuals or groups who are interested, impacted by, or concerned with its current and future activities. Accordingly, our key stakeholders encompass shareholders and investors, customers, government and regulators, value chain partners, employees, and the society as a whole.

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

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (yes/ No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Government and Regulators | No | Email, submitting Physical Documents, Meetings | As and when required | To update on various compliances and to seek approvals |
| Customers | No | Meetings, Visiting their home, Email, SMS, Courier | Ongoing & need based engagement | To provide financial services; making collections and providing customer services |
| Shareholders & Investors | No | Email, Newspaper, Website, Notice, quarterly con call, Investor Press release and Presentation, Attending Investor Meets and conducting shareholders meeting | Quarterly, Half Yearly and Annually | To inform about quarterly performance, call for meeting and other relevant updates |
| Employees | No | Letters, Email, Website, Physical / virtual meeting | As and when required | Work related updates, providing awareness programmes |
| Community | Yes | Implementing CSR programmes | As and when required | To promote social welfare activities |

**Leadership Indicators**

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

The company emphasizes continuous and proactive interaction with its stakeholders to transparently communicate its strategies and achievements. Enabling frequent communication between the board, various stakeholders and community members on social matters has been instrumental in reinforcing our dedication to social responsibility. The Company also has an already existing Stakeholders' Relationship Committee to help with such matters. Audit Committee and the Board are apprised about the outcomes of the interactions and outputs from the resulting activities.

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

Yes. The engagement with stakeholders on a continuous basis plays a crucial role in meeting their expectations and enables our company to better serve their needs. By actively involving our stakeholders, we strive to enhance our understanding of their requirements, foster stronger relationships, and ultimately deliver more effective solutions.

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

Our company is dedicated to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. We have undertaken diverse activities and initiatives that aim to benefit various segments of the society, contributing to their well-being and creating a sustainable and inclusive future.

## PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicators

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

| Category | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees covered (B) | % (B/A) | Total (C) | No. of employees covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 1753 | 1753 | 100% | 1154 | 1154 | 100% |
| Other than permanent | 0 | 0 | 0 | 0 | 0 | - |
| **Total** | **1753** | **1753** | **100%** | **1154** | **1154** | **100%** |
| **Workers** | | | | | | |
| Permanent | N.A. | | | N.A. | | |
| Other than permanent | | | | | | |
| **Total** | | | | | | |

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

| Category | FY 2025-26 (Current Financial Year) | | | | | FY 2024-25 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | On Skill upgradation | |
| | | (B) (Number of employees) | % (B/A) | (C) (Number of employees) | % (C/A) | | (E) (Number of employees) | % (E/D) | (F) (Number of employees) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1660 | 379 | 22.38% | 1267 | 76.33% | 1106 | 411 | 37.16% | 695 | 62.84% |
| Female | 93 | 38 | 40.86% | 53 | 56.99% | 48 | 21 | 43.75% | 27 | 56.25% |
| Total | 1753 | 417 | 23.79% | 1320 | 75.30% | 1154 | 432 | 37.44% | 722 | 62.56% |
| **Workers** | | | | | | | | | | |
| Male | N.A. | | | | | | | | | |
| Female | | | | | | | | | | |
| Total | | | | | | | | | | |



3. Details of remuneration/salary/wages,

a. Median remuneration / wages:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category (₹ in Lakhs) | Number | Median remuneration/ salary/wages of respective category (₹ in Lakhs) |
| Board of Directors (BOD) | 2* | 21.06 | - | - |
| Key Managerial Personnel (KMP) | 4 | 21.06 | - | - |
| Employees other than BOD and KMP | 1656 | 2.38 | 93 | 2.14 |
| Workers | - | - | - | - |

*Excluding Non-Executive/Independent Directors as no remuneration is paid to them

Note: Whole-time Director and Managing Director have been counted in both BOD and KMP.

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

| | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Gross wages paid to females as % of total wages | 4.93% | 3% |

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

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

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a regular basis. We have implemented policies and committees to handle human rights-related issues effectively. The Company has a zero-tolerance for all forms of physical, sexual, psychological, or verbal abuse.

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

| | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | N.A. | Nil | Nil | N.A. |
| Discrimination at workplace | Nil | Nil | N.A. | Nil | Nil | N.A. |
| Child Labour | Nil | Nil | N.A. | Nil | Nil | N.A. |
| Forced Labour/ Involuntary Labour | Nil | Nil | N.A. | Nil | Nil | N.A. |
| Wages | Nil | Nil | N.A. | Nil | Nil | N.A. |
| Other human rights related issues | Nil | Nil | N.A. | Nil | Nil | N.A. |

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

| | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees / workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

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

   The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, sex, class, religion and background. We promote human rights and ethical business practices. A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously.

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

   The Company expects all its business partners to adhere to all applicable regulations including human rights

10. Assessments for the year:

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

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

   **Not Applicable**

**Leadership Indicators**

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

   There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.

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

   **Not Applicable**

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

   We are committed to ensuring full compliance with the Persons with Disabilities Act 2016, as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled.



4. Details on assessment of value chain partners:

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

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

   No such instance has been reported to the Company.

## PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

**Essential Indicators**

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

| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) (in gigajoules) | 0 | 0 |
| Total fuel consumption (B) (in gigajoules) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | 0 | 0 |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 1169 | 879 |
| Total fuel consumption (E) | 14937 | 11336 |
| Energy consumption through other sources (F) | 0 | 0 |
| **Total energy consumed from non-renewable sources (D+E+F)** | 16106 | 12215 |
| Total energy consumed (A+B+C+D+E+F) | 16106 | 12215 |
| **Energy intensity per rupee of turnover** (Total energy consumed / Revenue from operations) | 0.75 | 0.67 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*** (Total energy consumed / Revenue from operations adjusted for PPP) | 15.26 | 13.84 |
| **Energy intensity in terms of physical output** | - | - |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

*For the purpose of calculation of intensity adjusted Purchasing power parity (PPP), conversion factor @20.34 Rs / International Dollar has been considered as per IMF data (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

**Not Applicable**

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

| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| Surface water | The usage of water is restricted to human consumption purposes only which is not accounted. Efforts have been made to ensure that water is consumed judiciously in the office/ branch premises. | |
| Groundwater | | |
| Third party water | | |
| Seawater / desalinated water | | |
| Others (Drinking Water) | | |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | | |
| **Total volume of water consumption (in kilolitres)** | | |
| **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) | | |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP) | | |
| **Water intensity in terms of physical output** | | |
| **Water intensity** (optional) – the relevant metric may be selected by the entity (KL/FTE) | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.





4. Provide the following details related to water discharged

| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| To Surface water | Not applicable, as the organization works in financial domain. The water is used for human consumption only. | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| To Groundwater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| To Seawater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| Sent to third-parties | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| Others (Drinking Water) | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

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

**Not Applicable**

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

| Parameter | Please specify unit | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|---|
| Nox | Not Applicable | | |
| Sox | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others– please specify | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

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

| Parameter | Unit (Metric Ton of CO2e ) | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | | |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | | |
| **Total Scope 1 and Scope 2emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | | |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | Not Applicable | |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | | | |
| Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

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

**Not Applicable**

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

| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | - | - |
| E-waste (B) | - | - |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | - | - |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | - | - |



| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **Total (A+B + C + D + E + F + G + H)** | - | - |
| **Waste intensity per rupee of Turnover** (Total waste generated / Revenue from operations) | - | - |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) | - | - |
| **Waste intensity in terms of physical output** | - | - |
| **Waste intensity** (optional) – the relevant metric may be selected by the entity | - | - |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| Recycled | NA | NA |
| Re-used | NA | NA |
| Other recovery operations | NA | NA |
| **Total** | **NA** | **NA** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| Incineration | NA | NA |
| Landfilling | NA | NA |
| Other disposal operations | NA | NA |
| **Total** | **NA** | **NA** |

Note: No waste to report for the reporting period.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

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

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company.

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

| Sr. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| | Not Applicable | | |

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

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

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

| Sr. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| The company complies with applicable environmental regulations. | | | | |

**Leadership Indicators***

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

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge.

**i.** Name of the area:

**ii.** Nature of operations:

**iii.** Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| Surface water | Not applicable, as the organization works in financial domain. The water is used for human consumption only | |
| Groundwater | | |
| Third party water | | |
| Seawater / desalinated water | | |
| Others | | |
| **Total volume of water withdrawal (in kilolitres)** | | |
| **Total volume of water consumption (in kilolitres)** | | |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | | |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | | |



| Parameter | FY 2025-26 (Current Financial year) | FY 2024-25 (Previous Financial year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| i. To Surface water | Not applicable, as the organization works in financial domain. The water is used for human consumption only | |
| • No treatment | | |
| • With treatment – please specify level of treatment | | |
| ii. To Groundwater | | |
| • No treatment | | |
| • With treatment – please specify level of treatment | | |
| iii. To Seawater | | |
| • No treatment | | |
| • With treatment – please specify level of treatment | | |
| iv. Sent to third-parties | | |
| • No treatment | | |
| • With treatment – please specify level of treatment | | |
| v. Others | | |
| • No treatment | | |
| • With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

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

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | - | - |
| Total Scope 3 emissions per rupee of turnover | | - | - |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

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

**Not Applicable**

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

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1. | Digital initiatives for Going Paperless | We promote and encourage extensive use of technology in our everyday lives. Our aim is to significantly bring down the use of paper, and fuel by contributing to a healthy environment. As a responsible organization, we are gradually adopting electronic document management and other digital tools to go paperless and go digital | The Company has implemented many digital initiatives which has resulted in almost minimum usage of papers in the operations of MSME. |
| 2. | Digital Meetings | | The Company has started doing review meetings with operational team through virtual mode which has reduced a significant amount of fuel expenses. |

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

   Yes, the Company has a board approved Business Continuity Plan (BCP) in place. The BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. These aim to eliminate or minimise any potential disruption to critical business operations. https://armanindia.com/policyncode.aspx

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

   **Not Applicable**

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

   **Not Applicable**

8. **How many Green Credit have been generated or procured:**

   **i. By the listed entity: None**

   **ii. By the top ten value chain partners: Not assessed**

## PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

   The Company is a member of 2 trade and industry chambers/ associations.

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

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Gujarat Finance Companies Association (GFCA) | State |
| 2 | *Microfinance Industry Network (MFIN) | National |

* Association by Wholly Owned Subsidiary.



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

   **Not Applicable**

**Leadership Indicators**

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

   The Company actively participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. The Company has actively advocated for and supported the advancement of inclusive development policies to address the needs of underserved and unserved customers. We have actively engaged in representing and lobbying for policies that promote equal opportunities and inclusive growth for those who have been traditionally marginalized or overlooked.

## PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

**Essential Indicators**

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

   The CSR programs are not eligible for Impact assessment. However, the Company ensures that the CSR activities conducted by the Company are in line with the CSR policy.

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

   **Not Applicable**

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

   The Grievances related to customers/community are taken up promptly for resolution/redressal. The Company has a well-defined Customer Grievance Redressal (CGR) mechanism (through toll-free numbers) for ensuring timely redressal. One can also register their query/grievances on Companies website: www.armanindia.com -> Contact -> Customer Grievance Form.

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

   Materials required for branch purposes are majorly sourced from local vendors, nearby districts and suppliers.

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

| Location | FY 2025-26 Current Financial Year | FY 2024-25 Previous Financial Year |
|---|---|---|
| Rural | 36% | 43% |
| Semi-urban | 29% | 17% |
| Urban | 7% | 7% |
| Metropolitan | 28% | 32% |

**Leadership Indicators**

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

   **Not Applicable**

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

   **Not Applicable**

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

   b. From which marginalized /vulnerable groups do you procure?

   c. What percentage of total procurement (by value) does it constitute?

   **Not Applicable**

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

   **Not Applicable**

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

   **Not Applicable**

6. Details of beneficiaries of CSR Projects:

   In partnership with M-Swasth, the Arman Foundation conducted 191 community health camps across Madhya Pradesh, Rajasthan, Gujarat, Bihar and Uttar Pradesh during February–March 2026. The initiative reached 23,777 beneficiaries by providing free medical consultations, diagnostic screenings, health education and essential medicines.

## PRINCIPLE 9 BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

**Essential Indicators**

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

   The company has established a robust, transparent, and multi-tiered Customer Grievance Redressal (CGR) Mechanism designed to receive, track, and resolve customer complaints and feedback in a time-bound manner.

   Customers or any individual having grievances regarding the Company's services or employees can register their concerns through a structured 3-tier escalation hierarchy:

   **Tier 1: Primary Channels & Initial Touchpoints**

   Borrowers and customers can register their grievances through any of the following convenient channels:

   - **Branch Level:** Visit any operating branch and record the grievance in the Complaints Register with the respective Branch Manager.
   - **Toll-Free Helpline:** Call the dedicated Customer Support Helpline at 1800 10 27626.
   - **Central Email Support:** Send an email to finance@armanindia.com.

   **Product-Specific Grievance Redressal Officers (Head Office):**

   o For Two-Wheeler Loans: **Mr. Prashant Modi** (Nodal Officer)
     Email: prashantmodi@armanindia.com | Phone: 079-40507000 (Ext: 308)



   o For MSME & Loan Against Property (LAP): Mr. Chetan Raval (Nodal Officer)
     Email: chetansme@armanindia.com | Phone: 079-40507000 (Ext: 615)

   o Postal Address: 502-503, Sakar-III, Opp. Old High Court, Off. Ashram Road, Ahmedabad – 380014.

   **Tier 2: Internal Escalation to Principal Nodal Officer**

   If the customer is not satisfied with the initial resolution or if the complaint requires further escalation, the grievance can be submitted directly to the Principal Nodal Officer:

   - Principal Nodal Officer: Mr. Atul Patel
   - Email: atulpatel.po@armanindia.com
   - Phone: 079-40507000 (Ext: 224)

   **Tier 3: External Recourse (Reserve Bank of India)**

   If the complaint/grievance is not resolved by the Company within 30 days, or if the complainant is dissatisfied with the final resolution provided by the Principal Nodal Officer, the customer has the right to escalate the matter directly to the Reserve Bank of India :

   **Operational Features & Service Level Agreements (SLAs)**

   1. Strict Turnaround Time (TAT): The maximum turnaround time for complete investigation and resolution of any customer grievance is 30 days.
   2. Operating Hours: The Grievance Redressal Cell at the Head Office operates from 9:15 AM to 6:15 PM (Monday to Friday).
   3. After-Hours Call Recording: Calls received post-working hours or on holidays are automatically recorded, and dedicated officials initiate callbacks on the next working day.
   4. Online Portal: Customers can also log queries/grievances online via the official website portal: [www.armanindia.com] (https://www.armanindia.com) -- Contact - Customer Grievance Form.

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

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Not applicable to our products and services |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

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

| | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | | | | | |
| Advertising | | | | | | |
| Cyber-security | Nil | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | 50 | 1 | N.A. | 9 | Nil | N.A. |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | N.A. |
| Forced recalls | Nil | N.A. |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   We have policies on information security and cyber security approved by the Board. We have established policies related to structured approach/ mechanism for identifying, responding and resolving incidents in an organisation and to minimise the adverse impact of disruptions, ensuring a swift recovery thereby enhancing overall resilience for business operations/ information technology and security posture. These policies safeguard all information assets, including intellectual property and information systems, from loss, unauthorised use, improper alteration and damage. The Company has also place a risk management framework which is being undertaken by the Risk Management Committee of the Company on a regular basis.

   All employees receive annual cybersecurity training and periodic simulation exercises to stay informed about evolving cybersecurity trends. This proactive approach along with the presence of Information Technology Strategy Committee, ensures that the Company has put in place processes for assessing and managing IT and cybersecurity risks, which enables the Company to continually strengthen its cybersecurity resilience.

   The RMC and Information Technology Strategy Committee oversees the risks associated with cyber security, data privacy and IT related issues. https://armanindia.com/policyncode.aspx

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

   **Not Applicable**

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches - Nil

   b. Percentage of data breaches involving personally identifiable information of customers – 0%

   c. Impact, if any, of the data breaches – Nil

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   www.armanindia.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   All Information related to products offered to customers are available at Company's website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   During the year, there were no major disruptions of critical services. In future, if the need arises, we will inform consumers of any risk of disruption/discontinuation of essential services through Website, Branches, Customer Support Service helpline.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   None of the products withhold any relevant information needed by the customers to make informed decisions.

# Consolidated Financial Statements

# Independent Auditor's Report

To
The Members of
**Arman Financial Services Limited**
Ahmedabad

**Report on the Audit of the Consolidated Financial Statements**

## OPINION

We have audited the accompanying Consolidated Financial Statements of **Arman Financial Services Limited** (Hereinafter referred to as "the Holding Company"), and its Subsidiary – Namra Finance Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2026 , 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 then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of a subsidiary – Namra Finance Limited as were audited by the other auditor, 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 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2026, of its consolidated profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.



**Key audit matter identified in our audit is the Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]**

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| As at 31 March, 2026 the Group has financial assets (loans) amounting to ₹2,21,347.39 Lakhs. As per Ind AS 109 - Financial Instruments, the Group is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at 31 March, 2026. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected credit losses. The management has recognized a provision of ₹14,825.22 Lakhs in Consolidated Statement of Profit and Loss for the year ended 31 March, 2026. Considering the significance of above matter to the Consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. | Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the Consolidated financial statements were reasonable and the related disclosures made by the management were adequate. These procedures included, but were not limited, to the following:<br>a) Obtaining an understanding of the model adopted by the Group for calculation of expected credit losses including how management calculated expected credit losses and the appropriateness of the data on which the calculation is based;<br>b) Testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used;<br>c) Benchmarking key assumptions and credit loss trends against available industry and peer data, where relevant;<br>d) Testing the arithmetical calculation of ECL;<br>e) Verifying the adequacy of the related disclosures; and<br>f) Obtaining written representations from management whether they believe significant assumptions used in calculation of ECL are reasonable. |

## OTHER INFORMATION

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit or loss including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 SAs 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.

As part of an audit in accordance with SAs, 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 financial 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 Consolidated 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 the management.
- Conclude on the appropriateness of management's 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its Subsidiary 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 the Holding Company 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 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of



our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and subsidiary included in the Consolidated Financial Statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls with reference to financial statements that we identify during our audit.

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.

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 year 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

We did not audit the financial statements of a subsidiary Namra Finance Limited included in the consolidated financial Statements, whose financial statements (before consolidation adjustments) reflect total assets of ₹1,84,591.75 Lakhs as at 31 March, 2026 and total income (Including Other Income) ₹43,287.44 Lakhs for the year ended on 31 March, 2026 , profit after tax of ₹1,288.36 Lakhs for the year ended 31 March, 2026 , total comprehensive income of ₹916.48 Lakhs for the year ended on 31 March, 2026 and net cash outflow of ₹5,000.04 Lakhs for the year ended on 31 March, 2026 , as considered in the Consolidated Financial Statements. The independent auditor's report on financial statements of this entity has been furnished to us and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the Consolidated Financial Statements, to which reporting under CARO is applicable, we report as under:

   There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on the Financial Statements of the subsidiary, 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 purposes of our audit of aforesaid Consolidated Financial Statements;

   b) 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.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e) On the basis of the written representations received from the directors of Holding Company as on 31 March, 2026 taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors is disqualified as on 31 March, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**; which is based on the auditor's reports of the Holding Company and Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

3. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary company incorporated in India:

a) The Consolidated Financial Statements disclose the impact of pending litigations as at 31st March, 2026 on its consolidated its financial position in its Consolidated Financial Statements – Refer Note 32 to the Consolidated Financial Statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

d) (i) The respective Managements of the Holding Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and that performed by the other auditor of subsidiary, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Holding Company and its subsidiary have not declared or paid any dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

f) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary company incorporated in India have used accounting software for maintaining their respective books of account for the year ended 31st March, 2026, which have a feature of recording audit trail (edit log) facility at the application level as well as at the database level and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, during the course of our audit, we and the other auditor of subsidiary, whose reports have been furnished to us by the Management of the Holding Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating. Additionally, the audit trail has also been preserved by the Holding Company and the subsidiary Company as per the statutory requirements for record retention.

4. With respect to the matter to be included in the Auditor's report under section 197 (16) of the Act:

In our opinion and according to the information and explanations given to us and based on the auditor's report of a subsidiary company incorporated in India, the remuneration paid during the current year by the Holding Company and its subsidiary company to their respective directors is in accordance with the provisions of Section 197 of the Act.

For **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

**Guharoy Ashish Kumar**
Partner
Membership No. 018659
UDIN: 26018659HFVADG5712

Place: Hyderabad
Date: 27 May, 2026

# "Annexure A"

**To Independent Auditor's Report on Consolidated Financial Statements of Arman Financial Services Limited for the year ended on 31 March, 2026**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls with reference to Consolidated Financial Statements of Arman Financial Services Limited ("the Holding Company") and its subsidiary (together referred to as 'the Group') as of 31 March, 2026 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal financial control with reference to Consolidated 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 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 its business, including adherence to the Group'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

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, 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 the Consolidated Financial Statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Consolidated Financial Statements includes 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion and based on the consideration of the reports of the other auditor referred to in the Other matter paragraph below, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March, 2026 based on the internal financial control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matter

We did not audit the internal financial controls with reference to financial statements of a subsidiary Namra Finance Limited, whose financial statements (before consolidation adjustments) reflect total assets of ₹1,84,591.75 Lakhs as at 31 March, 2026 and total income (Including Other Income) ₹43,287.44 Lakhs for the year ended on 31 March, 2026 , total net profit after tax of ₹1,288.36 Lakhs for the year ended 31 March, 2026 , total comprehensive income of ₹916.48 Lakhs for the year ended on 31 March, 2026 and net cash outflow of ₹5,000.04 Lakhs for the year ended on 31 March, 2026 , as considered in the Consolidated Financial Statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has 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 and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. 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 auditor.

For **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

**Guharoy Ashish Kumar**
Partner
Membership No. 018659
UDIN: 26018659HFVADG5712

Place: Hyderabad
Date: 27 May, 2026

# Consolidated Balance Sheet

as at March 31, 2026 (₹ in Lakhs)

| Particulars | Note No. | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Financial Assets** | | | |
| (a) Cash and cash equivalents | 1 | 8,778.32 | 6,775.03 |
| (b) Bank Balance other than (a) above | 2 | 31,109.22 | 33,566.96 |
| (c) Loans | 3 | 2,21,347.39 | 1,68,366.43 |
| (d) Investments | 4 | 9,246.14 | 3,897.15 |
| (e) Other Financial assets | 5 | 2,598.90 | 4,157.22 |
| **(2) Non-financial Assets** | | | |
| (a) Current tax assets (Net) | 15 | 633.63 | - |
| (b) Deferred tax Assets (Net) | 6 | 2,167.39 | 2,596.07 |
| (c) Property, Plant and Equipment | 7 | 2,924.22 | 2,969.13 |
| (d) Other Intangible assets | 7 | 19.31 | 30.21 |
| (e) Capital Work-in-progress | 7 | 256.14 | 19.62 |
| (f) Right-of-Use Assets | 7 | 218.44 | 105.21 |
| (g) Other non-financial assets | 8 | 481.93 | 248.62 |
| **Total Assets** | | **2,79,781.02** | **2,22,731.65** |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) Financial Liabilities** | | | |
| (a) (I) Trade Payables | 9 | | |
| (i) total outstanding dues of MSME | | 26.81 | 52.42 |
| (ii) total outstanding dues of Non-MSME | | 164.36 | 71.78 |
| (b) Debt Securities | 10 | 84,426.17 | 33,451.09 |
| (c) Borrowings (Other than Debt Securities) | 11 | 92,146.08 | 88,780.96 |
| (d) Subordinated Liabilities | 12 | 1,000.00 | 1,000.00 |
| (e) Other financial liabilities | 13 | 7,771.10 | 11,147.22 |
| **(2) Non-Financial Liabilities** | | | |
| (a) Provisions | 14 | 573.24 | 321.74 |
| (b) Current Tax Liabilities (Net) | 15 | - | 202.28 |
| (c) Other non-financial liabilities | 16 | 340.05 | 262.84 |
| **EQUITY** | | | |
| (1) Equity Share capital | 17 | 1,051.29 | 1,049.05 |
| (2) Other Equity | 18 | 92,281.93 | 86,392.28 |
| **Total Liabilities and Equity** | | **2,79,781.02** | **2,22,731.65** |
| See accompanying notes to the financial statements | 1 to 45 | | |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)



# Consolidated Statement of Profit & Loss

for the year ended March 31, 2026 (₹ in Lakhs)

| | Particulars | Note No. | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
|---|---|---|---|---|
| **(1)** | **Revenue from operations** | | | |
| | Interest income | 19 | 57,720.28 | 61,887.31 |
| | Gain on Assignment of Financial Assets | 20 | 2,978.05 | 4,039.36 |
| | Fees and Commission Income | 21 | 3,196.29 | 2,560.67 |
| | Net gain on fair value changes | 22 | 691.88 | 841.95 |
| | Net Gain on Sale of financial instrument | 23 | - | 3,675.00 |
| | **Total Revenue from operations (1)** | | **64,586.50** | **73,004.30** |
| **(2)** | Other Income | 24 | 0.07 | 0.09 |
| **(3)** | **Total Income (1+2)** | | **64,586.57** | **73,004.39** |
| **(4)** | **Expenses** | | | |
| | Finance Costs | 25 | 20,541.87 | 23,936.10 |
| | Impairment of Financial Assets | 26 | 14,825.22 | 26,410.13 |
| | Employee Benefits Expenses | 27 | 15,026.09 | 11,233.71 |
| | Depreciation, amortization and impairment | 28 | 168.82 | 179.07 |
| | Others expenses | 29 | 6,288.74 | 4,336.15 |
| | **Total Expenses (4)** | | **56,850.72** | **66,095.17** |
| **(5)** | **Profit / (loss) before tax (3-4)** | | **7,735.84** | **6,909.22** |
| **(6)** | **Tax Expense:** | | | |
| | (1) Current Tax | 30 | 1,519.70 | 2,311.20 |
| | (2) Short / (excess) Provision of Income Tax of earlier years | 30 | 15.37 | 131.87 |
| | (3) Deferred Tax | 30 | 540.24 | (741.17) |
| **(7)** | **Profit/(loss) for the period (5-6)** | | **5,660.53** | **5,207.32** |
| **(8)** | **Other Comprehensive Income** | | | |
| | (A) (i) Items that will not be reclassified to profit or loss | | | |
| | - Remeasurement of Defined Benefit Obligations plan | | 43.15 | 26.41 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (10.86) | (6.65) |
| | **Subtotal (A)** | | **32.29** | **19.76** |
| | (B) (i) Items that will be reclassified to profit or loss | | | |
| | - Fair valuation gain / (loss) on financial instruments measured at FVOCI | | (486.41) | 214.22 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | 122.42 | (53.92) |
| | **Subtotal (B)** | | **(363.99)** | **160.31** |
| | **Other Comprehensive Income (A + B)** | | **(331.70)** | **180.07** |
| **(9)** | **Total Comprehensive Income for the period (7+8)** | | **5,328.82** | **5,387.38** |
| **(10)** | **Earnings per equity share** | | | |
| | Basic (₹) | 31 | 53.91 | 49.67 |
| | Diluted (₹) | 31 | 53.57 | 49.26 |
| | See accompanying notes to the financial statements | 1 to 45 | | |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in Lakhs)

**(A) Equity share capital (Refer Note 17)**

| Particulars | FY 2025-26 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2025 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2025 | Changes during the year | Balance as at March 31, 2026 |
| Ordinary equity share capital | 1,049.05 | - | 1,049.05 | 2.24 | 1,051.29 |

| Particulars | FY 2024-25 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2024 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2024 | Changes during the year | Balance as at March 31, 2025 |
| Ordinary Equity share capital | 1,047.68 | - | 1,047.68 | 1.38 | 1,049.05 |

**(B) Other equity (Refer note 18)**

| Particulars | Equity component of compound financial instruments | Reserves and surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|
| | | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Share Based Payment Reserve | | |
| **FY 2025-26** | | | | | | | | |
| **Balance as at March 31, 2025** | **-** | **184.35** | **9,634.30** | **39,525.51** | **35,866.38** | **1,141.16** | **40.57** | **86,392.28** |
| Profit for the year | - | - | - | - | 5,660.53 | - | - | 5,660.53 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | (331.70) | (331.70) |
| **Total Comprehensive Income for the period** | **-** | **-** | **-** | **-** | **5,660.53** | **-** | **(331.70)** | **5,328.82** |
| **Transactions with Owners in the capacity as Owners** | | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | - | 1,071.00 | - | (1,071.00) | - | - | - |
| Transferred during the year in securities premium | - | - | - | 517.56 | - | (414.40) | - | 103.15 |
| Transfer during the year in General Reserve | - | 11.00 | - | - | (11.00) | - | - | - |
| Share based payment to employees (ESOP) | - | - | - | - | - | 457.68 | - | 457.68 |
| **Balance as at March 31, 2026** | **-** | **195.35** | **10,705.30** | **40,043.07** | **40,444.91** | **1,184.43** | **(291.13)** | **92,281.93** |



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in Lakhs)

| Particulars | Equity component of compound financial instruments | Reserves and surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|
| | | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Share Based Payment Reserve | | |
| **FY 2024-25** | | | | | | | | |
| **Balance as at March 31, 2024** | **-** | **173.35** | **8,613.30** | **39,225.40** | **31,691.06** | **657.27** | **(139.50)** | **80,220.90** |
| Profit for the year | - | - | - | - | 5,207.32 | - | - | 5,207.32 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | 180.07 | 180.07 |
| **Total Comprehensive Income for the period** | **-** | **-** | **-** | **-** | **5,207.32** | **-** | **180.07** | **5,387.39** |
| **Transactions with Owners in the capacity as Owners** | | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | - | 1,021.00 | - | (1,021.00) | - | - | - |
| Additions during the year in securities premium | - | - | - | 300.11 | - | (242.61) | - | 57.50 |
| Transfer during the year in General Reserve | - | 11.00 | - | - | (11.00) | - | - | - |
| Transferred to liability component | - | - | - | - | - | - | - | - |
| Share based payment to employees (ESOP) | - | - | - | - | - | 726.50 | - | 726.50 |
| **Balance as at March 31, 2025** | **-** | **184.35** | **9,634.30** | **39,525.51** | **35,866.38** | **1,141.16** | **40.57** | **86,392.28** |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Consolidated Cash Flow Statement

for the year ended March 31, 2026 (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 | |
|---|---|---|---|---|
| **A: Cash from Operating Activities:** | | | | |
| Net profit before taxation | | 7,735.84 | | 6,909.22 |
| Adjustment For: | | | | |
| Depreciation and amortisation | 130.26 | | 142.80 | |
| Depreciation on Right of Use Assets | 38.56 | | 36.27 | |
| Interest Income | (57,720.28) | | (61,887.31) | |
| Net gain on equity instruments measured through FVTPL | - | | (61.59) | |
| Finance cost Expense | 20,541.87 | | 23,936.10 | |
| Provision for impairment on financial assets | (3,906.63) | | 2,715.30 | |
| Net Loss on Derecognition of Intangible Assets | - | | - | |
| (Profit) / loss on sale of property, plant and equipment | (0.07) | | (0.09) | |
| Gain On Assignment of Assets (Net of Expense) | (2,978.05) | | (4,039.36) | |
| Loss / (Profit) on sale of Current Investment | (691.88) | | (780.35) | |
| Remeasurement of define benefit plan | 43.15 | | 26.41 | |
| Employee Stock Option Plan Expense | 457.68 | (44,085.39) | 726.50 | |
| **Operating profit before working Capital changes:** | | **(36,349.55)** | | **(32,276.13)** |
| **Adjustment For Increase / (Decrease) in Operating Assets:** | | | | |
| Loans and Advances | (49,560.75) | | 32,423.66 | |
| Financial Assets | 3,804.86 | | 4,688.56 | |
| Non Financial Assets | (233.31) | | (2.36) | |
| Bank balance other than Cash and Cash equivalents | 2,457.74 | | 7,046.56 | |
| **Adjustment For Increase/(Decrease) in Operating Liabilities:** | | | | |
| Trade Payables | 66.96 | | (74.35) | |
| Other Non Financial liability | 77.22 | | (175.78) | |
| Other Financial Liabilities | (3,663.76) | | 3,900.19 | |
| Subordinated Debts | - | | (500.00) | |
| Provision | 251.50 | (46,799.53) | 62.85 | 47,369.34 |
| **Cash Generated From Operations** | | **(83,149.08)** | | **15,093.21** |
| Interest Income Received | 58,451.79 | | 61,183.23 | |
| Finance Cost Paid | (20,571.94) | | (24,031.55) | |
| Income tax paid | (2,370.98) | 35,508.86 | (2,963.39) | 34,188.30 |
| **Net Cash From Operating Activities:** | | **(47,640.22)** | | **49,281.51** |
| **B: Cash Flow From Investing Activities:** | | | | |
| Purchase of Property, Plant & Equipment | (311.00) | | (2,537.16) | |
| Sale of Property, Plant & Equipment | 0.10 | | 0.14 | |
| ` Purchase of investments | (1,76,876.98) | | (97,469.54) | |
| Sale of investments | 1,72,219.87 | | 95,126.14 | |
| Net Cash from Investment Activities: | | (4,968.02) | | (4,880.42) |



# Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2026 (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 |
|---|---|---|---|
| **C: Cash Flow From Financing Activities:** | | | |
| Proceeds from issue of share capital (including Premium) | 105.39 | | 58.88 |
| Proceeds from long term borrowings | 1,38,840.07 | | 65,118.72 |
| Repayment of borrowings | (96,075.52) | | (97,721.15) |
| Net increase / (decrease) in working capital borrowings | 11,768.80 | | (16,903.91) |
| Repayment of Principal Component of Lease Liability (Net) | (27.22) | | (37.64) |
| **Net Cash from Financing Activities:** | | **54,611.52** | **(49,485.10)** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents** | | **2,003.29** | **(5,084.01)** |
| | | | |
| Cash & cash equivalents at the beginning of the year | | 6,775.03 | 11,859.04 |
| | | | |
| Cash & cash equivalents at the end of the year | | 8,778.32 | 6,775.03 |

**Notes :**

1 **Cash and bank balance at the end of the year comprises:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Cash on hand | 279.29 | 269.66 |
| Balance with Bank | 8,499.03 | 6,505.37 |
| **Cash & cash equivalents as per Balance Sheet** | **8,778.32** | **6,775.03** |

2 **The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.**

3 **Change in liabilities arising from financing activities:**

| Particulars | March 31, 2025 | Cash Flows | Non Cash Changes | March 31, 2026 |
|---|---|---|---|---|
| Debt Securities | 33,451.09 | 51,337.98 | (362.90) | 84,426.17 |
| Borrowing other than debt Securities | 88,780.96 | 3,195.37 | 169.76 | 92,146.08 |
| **Total** | **1,22,232.05** | **54,533.35** | **(193.15)** | **1,76,572.25** |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

## 1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Holding Company") together with its subsidiary Namra Finance Limited (herein after referred to as the "the Group") are public companies domiciled in India. The Holding Company is registered as a non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI") and according to RBI Notification DoR.FIN.REC.No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). Namra Finance Limited is registered as a non-deposit taking Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI") and is classified as middle layer NBFC ("NBFC-ML"). The Group is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW"), Loan again property ("LAP") and Micro Finance JLG Loans. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

**The Holding Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380014, Gujarat. INDIA.**

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance and principle of Consolidation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

**Principle of Consolidation**

**i) Subsidiaries: -**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

**ii) Non-Controlling Interest ("NCI")**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**iii) Loss of control**

When the Group loses control over a subsidiary, it derecognizes 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 on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

**iv) Transactions eliminated on consolidation**

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2026. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

The following subsidiary company has been considered in the preparation of the consolidated financial statements:

| Name of Entity | Relationship | Country | Ownership Held By | % of holding And Voting Power as at | |
|---|---|---|---|---|---|
| | | | | March 31, 2026 | March 31, 2025 |
| Namra Finance Limited | Subsidiary Company | India | Arman Financial Services Limited | 100% | 100% |



### 2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI") and

ii) Defined benefit plans - plan assets

iii) Investments in liquid marketable debt securities and units of mutual fund

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Functional and presentation currency**

The consolidated financial statements are presented in Indian Rupees which is the currency of the primary economic environment in which the Group operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

### 2.3 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**i) Business model assessment**

Classification and measurement of financial assets depends on the results of business model 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 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 business model and so a prospective change to the classification of those assets.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**i) 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. For further details about determination of fair value refer note 3.8 and note 42.

**ii) Effective interest rate ("EIR") method**

The Group's EIR methodology, as explained in Note 3.1(A), 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 lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

**iii) Impairment of financial asset**

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 gross domestic products, 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.

**iv) Provisions and other contingent liabilities**

The Group 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 investigations and proceedings 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 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.

For further details on provisions and other contingencies refer note 3.15.

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.

## 2.4 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.

Financial assets and financial liability 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:

i) The normal course of business

ii) The event of default

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

## 3.1 Recognition of interest income

**A. EIR method**

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. 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 discount or premium on acquisition, 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.

**B. Interest income**

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 and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

## 3.2 Financial instrument - initial recognition

**A. Date of recognition**

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

**B. 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 (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

**C. 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) FVOCI

iii) FVTPL

## 3.3 Financial assets and liabilities

**A. Financial assets**

**Business model assessment**

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

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

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

c. 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.

**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 with in 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.

**ii) Financial assets measured at 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. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

**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.

**iv) Investments in Mutual Funds**

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

**B. Financial liability**

**i) Initial recognition and measurement**

All financial liability is initially recognized at fair value. 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 method.

### 3.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended March 31, 2026 and March 31, 2025.

### 3.5 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, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

**B. Derecognition of financial assets 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. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

**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.

### 3.6 Impairment of financial assets

**A. Overview of ECL principles**

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. 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 Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

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

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

**Stage 3:** Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

**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.

**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 **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 loans 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.

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 an approximation to the original EIR.

**Stage 2:** When a loan 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.

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

**C. Loans and advances measured at FVOCI**

The ECLs for loans and advances 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 a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

### 3.7 Write-offs

Financial assets are written off when the Group has stopped pursuing the recovery. 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.

### 3.8 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 if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. 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.

### 3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Group recognises revenue from contracts with customers based on a five steps 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Group satisfies a performance obligation

**A. Dividend income**

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

**B. Income from assignment transactions**

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

**C. Other interest income**

Other interest income is recognised on a time proportionate basis.

**D. Other Charges in Respect of Loans**

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

### 3.9 (II) Recognition of other expense

**A. Borrowing costs**

Borrowing costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

### 3.10 Cash and cash equivalents

Cash 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.

### 3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 5 years

iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. 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. PPE 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.

### 3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (five years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

**3.13 Impairment of non-financial assets - property, plant and equipments and intangible assets**

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

**3.14 Retirement and other employee benefits Defined contribution plans**

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined benefit plans**

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life insurance corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term 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.

**3.15 Provisions, contingent liabilities and contingent assets**

**A. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**B. Contingent liability**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

**C. Contingent asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**3.16 Taxes**

**A. Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

**B. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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 equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

**C. Goods and services tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of 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.

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.

**3.17 Earnings per share**

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

**3.18 Dividends on ordinary shares**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group . As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 1 Cash and Cash Equivalents | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Cash on hand | 279.29 | 269.66 |
| Balance with banks | 8,499.03 | 6,505.37 |
| **Total** | **8,778.32** | **6,775.03** |

| 2 Other Bank Balance | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| In fixed deposit accounts: | | |
| Deposits given as security against borrowings | 7,622.99 | 8,832.79 |
| Fixed Deposits given as security against overdraft facilities (Refer Note 2.2) | 19,688.34 | 22,452.53 |
| Other Deposits (i.e., free from any encumbrance) | 4,748.52 | 3,344.94 |
| Earmarked balances with banks (Refer Note 2.1) | 2.37 | 4.32 |
| Less: Interest Accrued but not due on Bank Deposits (Refer Note 5) | (953.00) | (1,067.61) |
| **Total** | **31,109.22** | **33,566.96** |

**2.1** Earmarked balance with banks represents ₹2.37 Lakhs (As at March 31, 2025 ₹4.32 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

**2.2** Deposits includes deposits of ₹19688.34 Lakhs (P.Y. ₹22452.53 Lakhs) given to bank for Overdraft facility. Overdraft utilized of ₹17476.8 Lakhs

| 3 Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **At Amortised Cost:** | | |
| Inter Corporate Deposit | | |
| Secured by Tangible Asset | - | 2,271.26 |
| Unsecured | 300.00 | 500.00 |
| **At FVOCI:** | | |
| Secured by Tangible Asset | 17,367.32 | 10,411.89 |
| Unsecured Loans | 2,12,314.94 | 1,68,400.30 |
| Less: Impairment Loss Allowances | (7,743.28) | (11,742.52) |
| | 2,22,238.98 | 1,69,840.93 |
| Less: Interest Due but not Received on Loans and Advances (Note No.5) | (891.60) | (1,474.51) |
| **Total** | **2,21,347.39** | **1,68,366.43** |
| **(1) Loans In India** | | |
| Public Sector | - | - |
| Others | 2,21,347.39 | 1,68,366.43 |
| | **2,21,347.39** | **1,68,366.43** |
| **(2) Loans Outside India** | - | - |
| **Total** | **2,21,347.39** | **1,68,366.43** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Gross carrying amount as at March 31, 2024** | **2,01,600.96** | **4,535.82** | **6,170.81** | **2,12,307.60** |
| New Assets originated* | 1,41,091.16 | 2,762.83 | 859.42 | 1,44,713.41 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (12,242.65) | 6,788.19 | 5,454.45 | - |
| Transfer from stage 2 | 37.31 | (146.62) | 109.31 | - |
| Transfer from stage 3 | 2.54 | 3.45 | (5.99) | - |
| Assets derecognised or collected | 1,49,189.65 | 1,994.96 | 1,532.51 | 1,52,717.12 |
| Write - offs | 16,635.44 | 2,538.51 | 5,020.99 | 24,194.94 |
| **Gross carrying amount as at March 31, 2025** | **1,64,664.23** | **9,410.21** | **6,034.51** | **1,80,108.95** |
| New Assets originated* | 2,11,315.35 | 892.19 | 982.12 | 2,13,189.66 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (10,608.36) | 1,736.28 | 8,872.08 | - |
| Transfer from stage 2 | 22.66 | (673.50) | 650.84 | - |
| Transfer from stage 3 | 1.42 | 1.45 | (2.87) | - |
| Assets derecognised or collected | 1,39,259.35 | 2,471.05 | 2,400.90 | 1,44,131.30 |
| Write - offs | 6,934.11 | 6,977.13 | 6,165.41 | 20,076.65 |
| **Gross carrying amount as at March 31, 2026** | **2,19,201.84** | **1,918.45** | **7,970.37** | **2,29,090.66** |

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end

**3.2 Reconciliation of ECL balance is given below:**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **ECL Allowances as at March 31, 2024** | **2,062.92** | **1,409.96** | **5,543.55** | **9,016.42** |
| Addition During the Year | 2,813.32 | 4,169.14 | 5,564.19 | 12,546.65 |
| Reversal During the Year | (2,287.71) | (1,476.07) | (6,056.77) | (9,820.55) |
| **ECL Allowances as at March 31, 2025** | **2,588.53** | **4,103.03** | **5,050.97** | **11,742.52** |
| Addition During the Year | 2,743.40 | 972.55 | 9,390.49 | 13,106.44 |
| Reversal During the Year | (3,867.86) | (4,603.89) | (8,633.94) | (17,105.69) |
| **ECL Allowances as at March 31, 2026** | **1,464.07** | **471.69** | **5,807.52** | **7,743.28** |

**Note:** During the year, the microfinance sector witnessed elevated credit stress, leading to higher ECL provisions in Q1 and Q2. Improved collection efficiency and portfolio performance in the second half resulted in a partial reversal of ECL provisions in Q3 and Q4, with overall loan portfolio growth. As a matter of prudence, during the financial year ended March 31, 2026, the Company has written off (net) ₹18731.84 Lakhs. The Total ECL provision of ₹7743.28 Lakhs on Loans and Advances is retained by the company as at March 31, 2026. The ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

3.3 Loans secured by hypothecation of assets (vehicles) are secured by hypothecation of the assets (vehicles) under finance. In the opinion of the Board, the market value of the hypothecated assets (vehicle) as on Balance Sheet date is more than the amount of loan outstanding.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 4 | Investments (At Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| A | **At Fair Value Through Profit & Loss (FVTPL)** | | |
| | **In Mutual Funds** | | |
| | SBI Magnum Gilt Fund Regular Growth (Nil Units As at 31.03.26, 6,48,523.25 Unit As at 31.03.25) | - | 423.67 |
| | SBI Magnum Medium Duration Fund Regular Growth (Nil Units as at 31.03.26, 6,98,053.50 Unit As at 31.03.25) | - | 349.73 |
| | Aditya Birla Sun Life Overnight Fund (2,59,306.75 Units As at 31.03.26, Nil Units as at 31.03.25) | 1,002.82 | - |
| | SBI Dynamic Bond Fund (3,31,540.17 Units As at 31.03.26, Nil Units as at 31.03.25) | 120.93 | - |
| | UTI Money Market Fund - Regular Plan - Growth (31,094.10 Units As at 31.03.26, Nil Units as at 31.03.25) | 1,002.88 | - |
| | In Security Receipt | | |
| | Security Receipt- Rare ARC 080 Trust of ₹1,000 Each (Market Value ₹1,000) (3,12,375 Unit as at 31.03.26, 3,12,375 Unit as at 31.03.25) | 2,110.38 | 3,123.75 |
| B | **At Amortised Cost** | | |
| | **In Listed NCDs** | | |
| | 9.50% Ugro Capital Ltd Redeemable, NCDs Of ₹0.10 Lakh Each (P.Y. Nil ) (C.Y. 20000 Unit, P.Y. Nil Unit) | 2,000.00 | - |
| | 10.75% Navi Finserv Ltd Redeemable, NCDs Of ₹0.10 Lakh Each (P.Y. Nil ) (C.Y. 20000 Unit, P.Y. Nil Unit) | 2,005.97 | - |
| | 9.20% Sammaan Capital Ltd Redeemable, NCDs Of ₹1 Lakh Each (P.Y. Nil ) (C.Y. 1000 Unit, P.Y. Nil Unit) | 1,003.17 | - |
| | | **9,246.14** | **3,897.15** |
| | **(1) Investment In India** | 9,246.14 | 3,897.15 |
| | **(2) Investment outside India** | - | - |
| | **Total** | **9,246.14** | **3,897.15** |

**4.1** Investments represents investments of ₹ Nil (P.Y. ₹773.4 Lakhs) given as collateral security against borrowing from Financial Institution.

| 5 | Other Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Interest Due but not Received on Loans and Advances (Note No.3) | 891.60 | 1,474.51 |
| | Interest accrued but not due on Bank Deposits (Note No.2) | 953.00 | 1,067.61 |
| | Deposits | 51.48 | 42.21 |
| | Income Receivable from Direct Assignment | 1,407.07 | 2,120.70 |
| | Insurance Claim Receivable | 18.01 | 187.80 |
| | Other Advances | 59.56 | 12.23 |
| | Less: Provision on Interest Receivable on Credit Impaired Loans and Advances | (781.81) | (747.83) |
| | **Total** | **2,598.90** | **4,157.22** |



Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. (All Amounts are ₹ in Lakhs, unless otherwise stated)

| 5.1 | Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below: | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | ECL Allowances As at beginning of the year | 747.83 | 758.63 |
| | Addition During the Year | 777.29 | 740.63 |
| | Reversal During the Year | (743.30) | (751.43) |
| | ECL Allowances As at end of the year | 781.81 | 747.83 |

**5.2** There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

| 6 | Deferred Tax | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| A | **Deferred Tax Assets on Account of:** | | |
| | Provision for employee benefits | 144.28 | 80.98 |
| | Amortisation of Processing Fees Income | 708.35 | 524.71 |
| | Shares issue expenses that are allowable for tax purpose on deferred basis | 1.19 | 2.37 |
| | Recognition of lease liability and right to use asset | 6.58 | 3.73 |
| | Fair valuation of financial instruments through Other Comprehensive Income | 101.59 | (20.83) |
| | Impairment on Financial Assets | 2,075.84 | 3,031.45 |
| | **Total Deferred Tax Assets** | **3,037.83** | **3,622.41** |
| B | **Deferred Tax Liability on Account of:** | | |
| | Difference in written down value as per Companies Act and Income Tax Act | (10.40) | (14.52) |
| | Financial liabilities measured at amortised cost | (307.47) | (258.85) |
| | Interest Receivable on NPA | (196.77) | (188.21) |
| | Fair valuation of Investment in Mutual Fund | (1.67) | (27.28) |
| | Direct Assignment Income Receivable -DA | (354.13) | (537.47) |
| | **Total Deferred Tax Liabilities** | **(870.44)** | **(1,026.34)** |
| | **Total Asset/(Liability) (Net)** | **2,167.39** | **2,596.07** |

**6.1** The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

| Particulars | As at March 31, 2025 | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|
| **Assets** | | | | |
| Provision for employee benefits | 80.98 | 74.16 | (10.86) | 144.28 |
| Amortisation of Processing Fees Income | 524.71 | 183.64 | - | 708.35 |
| Shares issue expenses that are allowable for tax purpose on deferred basis | 2.37 | (1.19) | - | 1.19 |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | As at March 31, 2025 | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|
| Recognition of lease liability and right to use asset (Net) | 3.73 | 2.85 | - | 6.58 |
| Fair valuation of financial instruments through OCI | (20.83) | - | 122.42 | 101.59 |
| Impairment on Financial Assets | 3,031.45 | (955.61) | - | 2,075.84 |
| Liabilities | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (14.52) | 4.12 | - | (10.40) |
| Financial liabilities measured at amortised cost | (258.85) | (48.61) | - | (307.47) |
| Interest Receivable on NPA Assets | (188.21) | (8.55) | - | (196.77) |
| Fair valuation of Investment in Mutual Fund | (27.28) | 25.61 | - | (1.67) |
| Direct Assignment Income Receivable -DA | (537.47) | 183.33 | - | (354.13) |
| **Total Asset/(Liability) (Net)** | **2,596.07** | **(540.24)** | **111.56** | **2,167.39** |

| Particulars | As at March 31, 2024 | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2025 |
|---|---|---|---|---|
| **Assets** | | | | |
| Provision for employee benefits | 65.16 | 22.47 | (6.65) | 80.98 |
| Amortisation of Processing Fees Income | 561.44 | (36.73) | - | 524.71 |
| Shares issue expenses | 3.56 | (1.19) | - | 2.37 |
| Recognition of lease liability and right to use asset (Net) | - | 3.73 | - | 3.73 |
| Fair valuation of financial instruments through OCI | 33.09 | - | (53.92) | (20.83) |
| Impairment on Financial Assets | 2,403.10 | 628.35 | - | 3,031.45 |
| **Liabilities** | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (16.19) | 1.67 | - | (14.52) |
| Financial liabilities measured at amortised cost | (446.51) | 187.66 | - | (258.85) |
| Interest Receivable on NPA Assets | (190.93) | 2.72 | - | (188.21) |
| Fair valuation of Investment in Mutual Fund | (11.78) | (15.50) | - | (27.28) |
| Direct Assignment Income Receivable -DA | (485.46) | (52.01) | - | (537.47) |
| **Total Asset/(Liability) (Net)** | **1,915.47** | **741.17** | **(60.56)** | **2,596.07** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**7 Property, Plant & Equipment**

| Carrying Value | Buildings | Furniture & Fixtures | Office Equipments | Vehicles | Computers | Land | Total Property, Plant & Equipment | Intangible Assets | Total Assets | Right of Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2024** | **136.39** | **235.41** | **82.84** | **269.84** | **219.67** | **-** | **944.16** | **83.54** | **1,027.70** | **255.44** |
| Addition | - | 56.59 | 20.53 | 5.35 | 73.42 | 2,350.64 | 2,506.53 | 11.19 | 2,517.73 | - |
| Disposal | - | - | 0.88 | - | - | - | 0.88 | - | 0.88 | - |
| Other Adjustment | - | - | - | 0.19 | - | - | 0.19 | - | 0.19 | - |
| **At March 31, 2025** | **136.39** | **292.00** | **102.50** | **275.00** | **293.09** | **2,350.64** | **3,449.63** | **94.73** | **3,544.36** | **255.44** |
| Addition | - | 25.27 | 19.57 | - | 29.64 | - | 74.48 | - | 74.48 | 151.79 |
| Disposal | - | - | 0.63 | - | - | - | 0.63 | - | 0.63 | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2026** | **136.39** | **317.27** | **121.44** | **275.00** | **322.73** | **2,350.64** | **3,523.48** | **94.73** | **3,618.21** | **407.23** |

| Accumulated Depreciation | Buildings | Furniture & Fixtures | Office Equipments | Vehicles | Computers | Land | Total Property, Plant & Equipment | Intangible Assets | Total Assets | Right of Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **As At March 31, 2024** | **27.31** | **93.71** | **52.43** | **119.19** | **129.87** | **-** | **348.81** | **54.25** | **403.06** | **113.96** |
| Change for the year | 2.15 | 24.08 | 18.03 | 51.19 | 54.88 | - | 132.52 | 10.28 | 142.80 | 36.27 |
| Disposal | - | - | 0.83 | - | - | - | 0.83 | - | 0.83 | - |
| **As At March 31, 2025** | **29.47** | **117.79** | **69.63** | **78.86** | **184.75** | **-** | **480.50** | **64.53** | **545.03** | **150.23** |
| Change for the year | 2.16 | 27.14 | 5.39 | 43.85 | 52.04 | - | 119.36 | 10.90 | 130.26 | 38.56 |
| Disposal | - | - | 0.60 | - | - | - | 0.60 | - | 0.60 | - |
| As at March 31, 2026 | 31.63 | 144.93 | 74.43 | 111.49 | 236.79 | - | 599.26 | 75.43 | 674.69 | 188.79 |
| **Net Carrying Value** | | | | | | | | | | |
| **As At March 31, 2025** | **106.93** | **174.21** | **32.87** | **196.14** | **108.34** | **2,350.64** | **2,969.13** | **30.21** | **2,999.33** | **105.21** |
| **As at March 31, 2026** | **104.77** | **172.34** | **47.02** | **163.51** | **85.94** | **2,350.64** | **2,924.22** | **19.31** | **2,943.52** | **218.44** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**7.1**

**A Capital Working in Progress aging schedule :**

| Capital Working in Progress | March 31, 2026 Amount in CWIP for a period of Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 256.14 | - | - | - | 256.14 |
| Projects temporarily suspended | - | - | - | - | - |

| Capital Working in Progress | March 31, 2025 Amount in CWIP for a period of Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 19.62 | - | - | - | 19.62 |
| Projects temporarily suspended | - | - | - | - | - |

**B For Capital Working in Progress, whose completion is overdue or has exceeded its cost compared to its original plan :**

| Capital Working in Progress | March 31, 2026 Amount in CWIP for a period of Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

**For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :**

| Capital Working in Progress | March 31, 2025 Amount in CWIP for a period of Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

**(a) Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

**(b) Contractual Obligations:** Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 8 Other Non - Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Prepaid Expenses | 170.89 | 43.25 |
| Balance with Government Authorities | 228.34 | 145.43 |
| Advances to staff | 36.49 | 18.16 |
| Advance to Suppliers | 46.21 | 41.78 |
| **Total** | **481.93** | **248.62** |

| 9 Trade Payables | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 26.81 | 52.42 |
| Total outstanding dues of other than micro enterprises and small enterprises | 164.36 | 71.78 |
| **Total** | **191.16** | **124.20** |

**9.1 Trade Payable ageing schedule:**

| As on March 31, 2026 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | - | 26.81 | - | 164.36 |
| Outstanding between 1 year to 2 Years | - | - | - | - |
| Outstanding between 2 year to 3 Years | - | - | - | - |
| Outstanding More than 3 Years | - | - | - | - |

| As on March 31, 2025 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | - | 52.42 | - | 71.78 |
| Outstanding between 1 year to 2 Years | - | - | - | - |
| Outstanding between 2 year to 3 Years | - | - | - | - |
| Outstanding More than 3 Years | - | - | - | - |

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

9.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

| Sr No | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 1 | Principal amount payable to suppliers as at year end | 26.81 | 52.42 |
| 2 | Interest due thereon as at year end | - | - |
| 3 | Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates. | - | - |
| 4 | Amount of delayed payment actually made to suppliers during the year | - | - |
| 5 | 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 MSMED Act, 2006 | - | - |
| 6 | Interest accrued and remaining unpaid at the end of the year | - | - |
| 7 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006. | - | - |

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| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Secured Debenture (Refer note 10.1)** | | |
| 11.40% Secured, Redeemable, NCDs of ₹100000 Each (C.Y. 4,000 Unit, P.Y. Nil Unit) | 3,000.04 | - |
| 11.30% Secured, Redeemable, NCDs of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit) | - | 2,887.50 |
| 11.35% Secured, Redeemable, NCDs of ₹10,000 Each (C.Y. 75,000 Unit, P.Y. Nil) | 7,500.00 | - |
| 11.35% Secured, Redeemable, NCDs of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - |
| 10.90% Secured, Redeemable, NCDs of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - |
| 11.10% Secured, Redeemable, NCDs of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - |
| 11.10% Secured, Redeemable, NCDs of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - |
| 12.20% Secured, Redeemable, NCDs of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 |



Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

10

| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| 12.20% Secured, Redeemable, NCDs of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 |
| 10.20% Secured, Redeemable, NCDs of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil) | - | 4,980.00 |
| 8.82% Secured, Redeemable, NCDs of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit) | - | 1,225.00 |
| 11.95% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹9.090 Each (4,000 Unit as at 31.03.2026, 4,000 Unit as at 31.03.25) | 363.60 | 1,818.16 |
| 11.25% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹1,00,000 Each (15,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 15,000.00 | - |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹1,00,000 Each (10,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 10,000.00 | - |
| 11.40% Rated, Secured, Taxable, Listed, Redeemable, NCDs of ₹75,000 Each (4000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 3,000.00 | - |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹10,000 Each (50,000 Unit as at 31.3.2026, Nil Unit as at 31.03.2025) | 5,000.00 | - |
| 11.00% Listed Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected NCDs of ₹40,000 Each (7,500 Units as at 31.03.2026, 7500 Unit as at 31.03.2025) | 3,000.00 | 7,500.00 |
| 11.95% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected NCDs of ₹1,00,000 Each (Nil Units as at 31.03.2026, 1750 Unit as at 31.03.2025) | - | 1,750.00 |
| 12.20% Secured, Unlisted, Redeemable, NCDs of ₹1 Lakh Each (4,028 Unit as at 31.03.26, 4,028 Unit as at 31.03.25) | 4,028.00 | 4,028.00 |
| 11.60% Secured, Unlisted Redeemable, NCDs of ₹10,000 Each (Nil Unit as at 31.03.26, 45,650 Unit as at 31.03.25) | - | 4,565.00 |
| **Less:** Unamortised borrowing costs | (638.57) | (275.67) |
| **Total Debt Securities** | **84,426.17** | **33,451.09** |
| Debt Securities in India | 84,426.17 | 33,451.09 |
| Debt Securities Outside India | - | - |
| **Total** | **84,426.17** | **33,451.09** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:**

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| 11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit) | - | 2,887.50 | 99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022 | Secured Under Hypothecation of Specific Assets Portfolio |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 | 99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 | 99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| 10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil) | - | 4,980.00 | 100% on 25-01-2026 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.40% Secured, Redeemable, Non Convertible Debenture of ₹100000 Each (C.Y. 4,000 Unit, P.Y. Nil Unit) | 3,000.04 | - | Repayable in 12 quarterly installments starting from 05-09-2025 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - | 100% on 01-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - | 100% on 01-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 75,000 Unit, P.Y. Nil) | 7,500.00 | - | 100% on 05-12-2027 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - | 30% Repayable on 29-01-2028, Next 30% Repayable on 29-04-2028 and Remaining 40% on 29-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 10.90% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - | 30% Repayable on 25-03-2028, Next 30% Repayable on 25-06-2028 and Remaining 40% on 25-09-2028 | Secured Under Hypothecation of Specific Assets Portfolio |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| 8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit) | - | 1,225.00 | Repayable in 8 quarterly installments starting from 19-10-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| 12.20% Secured, Unlisted, Redeemable, NCDs of ₹1 Lakh Each (4,028 Unit as at 31.03.26, 4,028 Unit as at 31.03.25) | 4,028.00 | 4,028.00 | 99.99% of the Principal Amount will be repaid on 26 June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.60% Secured, Unlisted Redeemable, NCDs of ₹10,000 Each (Nil Unit as at 31.03.26, 45,650 Unit as at 31.03.25) | - | 4,565.00 | 99.99% of the Principal Amount will be repaid on 08 May 2025 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 13th June 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.95% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹9.090 Each (4,000 Unit as at 31.03.26, 4,000 Unit as at 31.03.25) | 363.60 | 1,818.16 | Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.00% Listed Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected NCDs of ₹40,000 Each (7,500 Units as at 31.03.2026, 7500 Unit as at 31.03.2025) | 3,000.00 | 7,500.00 | Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.95% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected NCDs of ₹1,00,000 Each (Nil Units as at 31.03.2026, 1750 Unit as at 31.03.2025) | - | 1,750.00 | Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹10,000 Each (50,000 Unit as at 31.3.2026, Nil Unit as at 31.03.2025) | 5,000.00 | - | Total Tenor of 24 months. Principal Amount will be repaid on Maturity Date i.e.05th Nov 2027 | Secured Under Hypothecation of Specific Asset Portfolio |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| 11.40% Rated, Secured, Taxable, Listed, Redeemable, NCDs of ₹75,000 Each (4000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 3,000.00 | - | Total tenor of 24 months. Principal repayments to be made on a quarterly basis Starting from 31st Dec 2025 till 11th Nov 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹1,00,000 Each (10,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 10,000.00 | - | 50% of the Principal Amount will be repaid on 30 Sep 2027 and 50% of the Principal Amount will be repaid on Maturity Date i.e. 30th Dec 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| 11.25% Listed, Rated, Senior, Secured, Transferable, Redeemable, NCDs of ₹1,00,000 Each (15,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 15,000.00 | - | 30% of the Principal Amount will be repaid on 11 Mar 2028 and 30% of the Principal Amount will be repaid on Maturity Date i.e. 11th Jun 2028 and 40% of the Principal Amount will be repaid on Maturity Date i.e. 11th Sep 2028 | Secured Under Hypothecation of Specific Asset Portfolio |
| **Total Debt Securities** | **85,064.74** | **33,726.76** | | |

| 11 Borrowings (at Amortized Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Term Loans** | | |
| **Secured** | | |
| From Banks | 35,810.32 | 51,314.48 |
| From Financial Institutions | 39,442.04 | 32,511.32 |
| Less: Unamortised borrowing costs | (583.08) | (752.84) |
| **Total** | **74,669.28** | **83,072.95** |
| **Overdraft from banks - Secured against Fixed Deposit** | 17,476.80 | 5,708.00 |
| **Total Borrowings** | 92,146.08 | 88,780.96 |
| Borrowings in India | 92,146.08 | 88,780.96 |
| Borrowings Outside India | - | - |
| **Total** | **92,146.08** | **88,780.96** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**11.1 Security:**

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under Other Bank Balance.

**11.2 Interest:**

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 10% to 15.00% p.a.

**11.3** The Company has not defaulted in repayment of borrowings and interest.

**11.4** The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

**11.5 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:**

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| **Borrowings (Other than Debt Securities)** | | | | |
| Term Loan From Bank- 1 | 296.30 | 1,185.19 | Repayable in 27 monthly installments starting from 30 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 2 | 1,111.11 | 2,000.00 | Repayable in 27 monthly installments starting from 21 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 3 | 62.50 | 812.50 | Repayable in 24 monthly installments starting from 05 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 4 | 2,000.00 | - | Repayable in 24 monthly installments starting from 31 January 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 5 | - | 111.11 | Repayable in 24 monthly installments starting from 07 June 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 6 | - | 54.55 | Repayable in 24 Months Monthly installments starting From 21 January 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 7 | - | 297.31 | Repayable in 30 Monthly installments from 17 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 8 | - | 0.68 | Repayable in 26 Monthly installments starting From 14th February 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

Arman Consolidated Financial Statements

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Bank- 9 | - | 126.19 | Repayable in 36 Monthly installments starting From 15th october 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 10 | - | 360.71 | Repayable in 36 Monthly installments from 29 Sep 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 11 | - | 133.33 | Repayable in 24 Monthly installments from 20 Feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 12 | - | 149.94 | Repayable in 36 Monthly installments from 18 Nov 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 13 | - | 149.69 | Repayable in 36 Monthly installments from 18 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 14 | - | 166.43 | Repayable in 36 Monthly installments starting From 18 Jan 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 15 | - | 1,615.21 | Repayable in 36 Monthly installments starting From 30 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 16 | - | 668.67 | Repayable in 36 Monthly installments starting From 10 Feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 17 | - | 333.33 | Repayable in 36 Monthly installments starting From 31 Aug 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank- 18 | 43.09 | 67.72 | Repayable in 36 Monthly installments starting From 26 Sep 2022 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 19 | -3.96 | 1,632.71 | Repayable in 24 Monthly installments starting From 18 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 20 | 125.00 | 625.00 | Repayable in 36 Monthly installments starting From 31 May 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 21 | - | 907.03 | Repayable in 30 Monthly installments starting From 24 Nov 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Bank- 22 | 258.47 | 924.68 | Repayable in 36 Monthly installments starting From 28 Sep 2021 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 23 | - | 1,474.69 | Repayable in 24 Monthly installments starting From 19 Feb 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 24 | 332.90 | 666.44 | Repayable in 36 Monthly installments starting From 14 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 25 | 606.37 | 1,454.81 | Repayable in 36 Monthly installments starting From 28 NOV 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 26 | - | 155.56 | Repayable in 24 Monthly installments starting From 29 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 27 | - | 1,090.91 | Repayable in 24 Monthly installments starting From 29 Nov 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 28 | - | 1,590.91 | Repayable in 24 Monthly installments starting From 31 Jan 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 29 | - | 600.00 | Repayable in 24 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 30 | -1.75 | 1,749.13 | Repayable in 24 Monthly installments starting From 29 Jan 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 31 | - | 375.00 | Repayable in 27 Monthly installments starting From 7 Jun 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 32 | 187.50 | 937.50 | Repayable in 24 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 33 | 733.33 | 1,533.33 | Repayable in 36 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 34 | 293.21 | 896.02 | Repayable in 36 Monthly installments starting From 30 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 35 | - | 41.67 | Repayable in 27 Monthly installments starting From 12 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 36 | - | 125.00 | Repayable in 27 Monthly installments starting From 22 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Bank- 37 | - | 3,111.26 | Repayable in 36 Monthly installments starting From 29 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 38 | 249.97 | 1,249.99 | Repayable in 27 Monthly installments starting From 19 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 39 | 165.75 | 499.79 | Repayable in 36 Monthly installments starting From 5 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 40 | - | 666.67 | Repayable in 24 Monthly installments starting From 1 Dec 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 41 | 303.03 | 2,121.43 | Repayable in 36 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 42 | 1,750.00 | 2,750.00 | Repayable in 36 Monthly installments starting From 17 Dec 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 43 | 842.88 | 1,446.59 | Repayable in 36 Monthly installments starting From 29 Aug 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 44 | 204.55 | 1,022.73 | Repayable in 24 Monthly installments starting From 30 june 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 45 | 437.50 | 2,187.50 | Repayable in 24 Monthly installments starting From 28 Apr 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 46 | 1,814.81 | 3,370.37 | Repayable in 24 Monthly installments starting From 27 Feb 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 47 | 500.00 | 1,500.00 | Repayable in 27 Monthly installments starting From 14 Apr 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 48 | 875.00 | 2,374.81 | Repayable in 24 Monthly installments starting From 25 Oct 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 49 | 1,000.00 | 3,000.38 | Repayable in 26 Monthly installments starting From 21 April 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 50 | 500.00 | 1,000.00 | Repayable in 26 Monthly installments starting From 12 Feb 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 51 | 2,962.96 | - | Repayable in 24 Monthly installments starting From 26 May 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Bank- 52 | 2,444.44 | - | Repayable in 27 Monthly installments starting From 28 OCT 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 53 | 1,703.70 | - | Repayable in 27 Monthly installments starting From 27 Nov 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 54 | 2,395.83 | - | Repayable in 27 Monthly installments starting From 27 Feb 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 55 | 2,395.83 | - | Repayable in 27 Monthly installments starting From 25 Mar 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 56 | 1,499.99 | - | Repayable in 27 Monthly installments starting From 28 Apr 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 57 | 2,499.99 | - | Repayable in 27 Monthly installments starting From 27 Feb 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 58 | 750.00 | - | Repayable in 24 Monthly installments starting From 05 May 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 59 | 1,500.00 | - | Repayable in 24 Monthly installments starting From 06 Nov 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Bank- 60 | 2,969.99 | - | Repayable in 24 Monthly installments starting From 25 Mar 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| **Total Term Loans From Banks** | **35,810.32** | **51,314.48** | | |
| Term Loan From Financial Institution- 1 | - | 9.72 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 2 | - | 4.17 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 3 | - | 9.72 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 4 | - | 4.17 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution- 5 | - | 37.50 | Repayable in 24 monthly installments starting from 28 December 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 6 | - | 452.80 | Repayable in 36 monthly installments starting from 31 December 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 7 | - | 320.83 | Repayable in 24 monthly installments starting from 01 July 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 8 | 361.11 | 694.44 | Repayable in 36 monthly installments starting from 30 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 9 | 208.33 | 708.33 | Repayable in 24 monthly installments starting from 30 July 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 10 | 444.02 | 924.95 | Repayable in 24 monthly installments starting from 10 December 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 11 | 1,145.83 | 2,395.83 | Repayable in 24 monthly installments starting from 31 January 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 12 | 729.39 | 1,444.22 | Repayable in 24 monthly installments starting from 10 February 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 13 | 1,750.00 | - | Repayable in 24 monthly installments starting from 30 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 14 | 2,523.01 | - | Repayable in 24 monthly installments starting from 01 July 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 15 | 2,000.00 | - | Repayable in 27 monthly installments starting from 30 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 16 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution- 17 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 18 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 19 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 20 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 21 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 22 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 23 | 750.00 | - | Repayable in 36 monthly installments starting from 26 June 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 24 | 875.00 | - | Repayable in 24 monthly installments starting from 24 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 25 | 2,125.69 | - | Repayable in 20 monthly installments starting from 30 June 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 26 | 2,001.48 | 5,205.72 | Repayable in 21 monthly installments starting from 25 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 27 | 454.48 | 1,363.60 | Repayable in 36 monthly installments starting from 27 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 28 | 502.00 | 1,000.00 | Repayable in 24 monthly installments starting from 28 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution- 29 | 97.22 | 263.89 | Repayable in 36 monthly installments starting from 30 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 30 | 97.22 | 263.89 | Repayable in 36 monthly installments starting from 30 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 31 | - | 133.33 | Repayable in 27 Months Monthly installments Stating From 15 feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 32 | 0.16 | 0.16 | Repayable in 24 Monthly installments starting From 28 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 33 | 0.50 | 0.50 | Repayable in 24 Monthly installments starting From 28 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 34 | - | 833.33 | Repayable in 36 Monthly installments starting From 23 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 35 | - | 749.98 | Repayable in 24 Monthly installments starting From 1 Mar 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 36 | - | 729.17 | Repayable in 27 Monthly installments starting From 29 Aug 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 37 | - | 83.33 | Repayable in 24 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 38 | - | 83.33 | Repayable in 24 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 39 | - | 459.69 | Repayable in 24 Monthly installments starting From 14 Aug 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 40 | - | 592.59 | Repayable in 27 Monthly installments starting From 29 JULY 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution- 41 | - | 1,166.71 | Repayable in 26 Monthly installments starting From 29 Sep 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 42 | 833.50 | 2,833.42 | Repayable in 36 Monthly installments starting From 11 Sep 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 43 | 600.00 | 1,800.00 | Repayable in 36 Monthly installments starting From 27 Oct 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 44 | 700.00 | 1,900.00 | Repayable in 36 Monthly installments starting From 23 Nov 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 45 | 1,749.46 | 2,916.67 | Repayable in 36 Monthly installments starting From 24 JUL 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 46 | 600.00 | 1,200.00 | Repayable in 24 Monthly installments starting From 28 Mar 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 47 | 972.38 | 1,925.30 | Repayable in 24 Monthly installments starting From 15 JAN 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 48 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 49 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 50 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 51 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 52 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution- 53 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 54 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 55 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 56 | 2,281.52 | - | Repayable in 24 Monthly installments starting From 29 Sep 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 57 | 2,500.00 | - | Repayable in 24 Monthly installments starting From 18 Mar 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 58 | 2,250.00 | - | Repayable in 30 Monthly installments starting From 30 Dec 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 59 | 1,833.33 | - | Repayable in 30 Monthly installments starting From 26 Jun 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution- 60 | 1,952.22 | - | Repayable in 30 Monthly installments starting From 29 Jan 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| **Total Term Loan From Financial Institution** | **39,442.04** | **32,511.32** | | |
| **Loans repayable on demand from banks** | | | | |
| Overdraft Facilty on Fixed Deposit- 1 | 2,730.70 | 2,841.29 | - | Secured by a first and exclusive charge Bank Deposits |
| Overdraft Facilty on Fixed Deposit- 2 | 2,733.80 | 2,331.11 | - | Secured by a first and exclusive charge Bank Deposits |
| Overdraft Facilty on Fixed Deposit- 3 | (86.24) | 97.24 | - | Secured by a first and exclusive charge on specific Fixed Deposits |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Overdraft Facilty on Fixed Deposit- 4 | 2,632.63 | (42.50) | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit- 5 | 2,166.59 | 481.85 | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit- 6 | (1.00) | (1.00) | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit- 7 | 2,197.74 | - | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit- 8 | 5,167.77 | - | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit- 9 | (65.19) | - | - | Secured by a first and exclusive charge on specific Fixed Deposits |
| **Total Loans repayable on demand from banks** | **17,476.80** | **5,708.00** | | |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**12**

| Subordinated Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured:** | | |
| 15%, Unsecured Subordinated Term Loan in India | 1,000.00 | 1,000.00 |
| Unsecured Subordinated Debt outside India | - | - |
| **Total** | **1,000.00** | **1,000.00** |

**12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:**

| Sr No | Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|---|
| 1 | Subordinated Term Loan From Bank | 1,000.00 | 1,000.00 | 50% Payment at the end of 66 Months from 30th Nov,2021 & remaining 50% Payment at the end of 72 Months from 30th Nov,2021 | Unsecured |

**13**

| Other Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Interest accrued but not due on Borrowings | 1,188.48 | 1,025.41 |
| Interest Payable on CCD | - | - |
| Payable to Employees | 299.96 | 855.13 |
| Security deposits received from Borrowers | 27.15 | 28.06 |
| Micro Insurance Payable | 479.05 | 680.70 |
| Hospicash Insurance Payable | 381.51 | 390.09 |
| Other Insurance Payable | 172.19 | 122.07 |
| CSR expenses payable | 14.10 | 43.72 |
| Other Expenses Payable | 334.49 | 204.54 |
| Unpaid dividend | 2.37 | 4.32 |
| Payable toward assignment and transactions | 4,627.21 | 7,673.16 |
| Lease Liability - Right of Use Assets | 244.59 | 120.03 |
| **Total** | **7,771.10** | **11,147.22** |

**13.1** Unpaid dividend outstanding as on March 31, 2026 is not due for transfer to investor education and protection fund by the Company.

**14**

| Provisions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Provisions for employee benefits - Gratuity | 573.24 | 321.74 |
| **Total** | **573.24** | **321.74** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**15**

| Current Tax (Net) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Provision for Tax | 3,836.67 | 3,366.27 |
| Less: Advance Tax and TDS | (4,470.30) | (3,163.99) |
| **Total** | **(633.63)** | **202.28** |

**16**

| Other Non Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Other statutory dues | 138.83 | 123.53 |
| TDS payable | 201.22 | 139.31 |
| Financial Guarantee (Liability) | - | - |
| **Total** | **340.05** | **262.84** |

**17**

| Equity Share Capital | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **Authorized Shares** | | | |
| 1,40,00,000 | Equity Shares of ₹10/- each (As at March 31, 2024: 1,40,00,000 Equity Shares of ₹10/- each) | 1,400.00 | 1,400.00 |
| **Total** | | **1,400.00** | **1,400.00** |
| **Issued, subscribed and fully paid-up shares:** | | | |
| 1,04,90,538 | Equity Shares of (As at March 31, 2024: 1,04,76,774 Equity Shares) of ₹10/- each fully paid up (Ordinary) | 1,051.29 | 1,049.05 |
| **Total** | | **1,051.29** | **1,049.05** |

**17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2026 & March 31, 2025 is set out below:**

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of Shares | (₹) | No. of Shares | (₹) |
| Ordinary Equity Shares: | | | | |
| Outstanding at the beginning of the year | 1,04,90,538.00 | 1,049.05 | 1,04,76,774.00 | 1,047.68 |
| Issued during the year | 22,383.00 | 2.24 | 13,764.00 | 1.38 |
| Outstanding at the end of the year | 1,05,12,921.00 | 1,051.29 | 1,04,90,538.00 | 1,049.05 |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:**

| Class of shares / Name of shareholder | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Elevation Capital V Limited | 8,78,607 | 8.38% | 11,43,789 | 10.90% |
| Namra Holdings & Consultancy Services LLP | 9,48,308 | 9.04% | 9,48,308 | 9.04% |

**17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows:**

| Promotor Name | As at March 31, 2026 | | As at March 31, 2025 | | % Change during the Year |
|---|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares | |
| Jayendrabhai Patel | 4,27,937 | 4.07% | 4,27,937 | 4.08% | -0.0087% |
| Jayendrabhai Patel HUF | 1,96,000 | 1.86% | 1,96,000 | 1.87% | -0.0040% |
| Amit Rajnikant Mankiwala | 9,700 | 0.09% | 10,000 | 0.10% | -0.0031% |
| Ritaben Patel | 4,36,089 | 4.15% | 4,36,089 | 4.16% | -0.0089% |
| Himani Amit Mankiwala | 4,834 | 0.05% | 6,238 | 0.06% | -0.0135% |
| Aalok Jayendrabhai Patel | 2,47,809 | 2.36% | 2,47,809 | 2.36% | -0.0050% |
| Maulik Amit Mankiwala | 800 | 0.01% | 800 | 0.01% | 0.0000% |
| Sajni Aalok Patel | 41,316 | 0.39% | 41,316 | 0.39% | -0.0008% |
| Namra Holdings and Consultancy Services LLP | 9,48,308 | 9.02% | 9,48,308 | 9.04% | -0.0192% |

**17.4 Shares reserved for issue under options**

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 38.

**17.5 Terms / rights attached to equity shares**

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 18 | Other Equity (Refer Note 18.1) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **A.** | **Reserves and Surplus** | | |
| **i.** | **General Reserve** | | |
| | Balance as per last financial statement | 184.35 | 173.35 |
| | Add: Transfer from statement of profit and loss | 11.00 | 11.00 |
| | **Closing Balance** | **195.35** | **184.35** |
| | | | |
| **ii.** | **Special Reserve u/s 45-IC of the RBI Act, 1934** | | |
| | Balance as per last financial statement | 9,634.30 | 8,613.30 |
| | Add: Transfer from statement of profit and loss | 1,071.00 | 1,021.00 |
| | **Closing Balance** | **10,705.30** | **9,634.30** |
| | | | |
| **iii.** | **Securities Premium** | | |
| | Balance as per last financial statement | 39,525.51 | 39,225.40 |
| | Add: Share Premium on shares issued during the year | 517.56 | 300.11 |
| | | 40,043.07 | 39,525.51 |
| **iv.** | **Share Based Payment Reserve** | | |
| | Balance as per last financial statements | 1,141.16 | 657.27 |
| | Add/(Less): Stock option expenditure for the year | 488.47 | 823.47 |
| | Less: amount transferred towards option expired unexercised | 30.80 | 96.97 |
| | Less: Reversal of ESOP reserve on exercised option of stock option | 414.40 | 242.61 |
| | **Closing Balance** | **1,184.43** | **1,141.16** |
| | | | |
| **v.** | **Surplus in the Statement of Profit and Loss** | | |
| | Balance as per last financial statement | 35,866.38 | 31,691.06 |
| | Add : Profit for the year | 5,660.53 | 5,207.32 |
| | Less: Appropriations | | |
| | Amount transfer to General Reserve | (11.00) | (11.00) |
| | Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934 | (1,071.00) | (1,021.00) |
| | **Closing Balance** | **40,444.91** | **35,866.38** |
| **B.** | **Other Comprehensive Income** | | |
| | Balance as per last financial statement | 40.57 | (139.50) |
| | Additions during the year | (331.70) | 180.07 |
| | **Closing Balance** | **(291.13)** | **40.57** |
| | **Total** | **92,281.93** | **86,392.28** |

**18.1 NATURE AND PURPOSE OF RESERVE**

**1 Reserve u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):**

Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

2 **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 Act

3 **Surplus in the statement of profit and loss:**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 **FVOCI - loans and advances:**

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 **FVOCI - Remeasurement of the defined benefit liabilities:**

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 **General reserve:**

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 **Share Based Payment Reserve:**

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

## 19 Interest Income (Amortised Cost)

| Particulars | Year Ended March 31, 2026 | | Year Ended March 31, 2025 | |
|---|---|---|---|---|
| | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost |
| Interest on Loans | 54,983.38 | - | 59,073.39 | - |
| Interest on Deposits as Security | - | 2,303.34 | - | 2,776.68 |
| Interets on Others | - | 433.57 | - | 37.25 |
| **Total** | **54,983.38** | **2,736.91** | **59,073.39** | **2,813.93** |
| **Total Interest** | **57,720.28** | | **61,887.31** | |

## 20 Gain on Assignment of Financial Assets

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Gain on Assignment of Assets (Net of Expense) | 2,978.05 | 4,039.36 |
| **Total** | **2,978.05** | **4,039.36** |



Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. (All Amounts are ₹ in Lakhs, unless otherwise stated)

## 21 Fees and Commission Income

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Loan Processing fees Income | 2,797.68 | 2,234.78 |
| Service Fees and facilitation Charges | 217.28 | 224.21 |
| Other Fees and Charges | 181.32 | 101.69 |
| **Total** | **3,196.29** | **2,560.67** |

## 22 Net Gain on Fair Value Changes

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Income from Investment in Mutual Fund at FVTPL | 6.63 | 61.59 |
| Profit on Sale of Investment | 685.25 | 780.35 |
| **Total** | **691.88** | **841.95** |

## 23 Net Gain on Sale of financial instrument

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Net Gain on Sale of financial instrument | - | 3,675.00 |
| **Total** | **-** | **3,675.00** |

## 24 Other Income

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Net gain on Derecognition of PPE & Intangible Assets | 0.07 | 0.09 |
| **Total** | **0.07** | **0.09** |

## 25 Finance Costs (on financial liabilities measured at amortized cost)

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Interest on Borrowings | 9,161.24 | 11,992.43 |
| Interest on Debt Securities | 4,643.31 | 4,126.97 |
| Interest on Subordinated Liabilities | 149.59 | 203.31 |
| Other interest expense | 5,260.13 | 5,750.38 |
| Other Borrowing Costs | 1,304.35 | 1,853.95 |
| Interest Expense on Lease Liability | 23.25 | 9.06 |
| **Total** | **20,541.87** | **23,936.10** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**26 Impairment of Loan Assets (on financial assets measured at FVOCI)**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Bad debts written off (Net) | 18,731.84 | 23,694.83 |
| Expected Credit Loss Provision (Net): | | |
| On Financial assets measured at FVOCI | (3,895.63) | 2,701.30 |
| On Financial assets measured at Amortised Cost | (11.00) | 14.00 |
| **Total** | **14,825.22** | **26,410.13** |

**26.1** Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

**27 Employee Benefit Expenses**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Salaries and wages | 12,745.14 | 9,295.69 |
| Share Based Payment | 457.68 | 726.50 |
| Contribution to provident and other funds | 829.08 | 724.63 |
| Gratuity | 307.37 | 105.93 |
| Staff welfare expenses | 686.82 | 380.96 |
| **Total** | **15,026.09** | **11,233.71** |

**27.1 Employee Benefit Plan:**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

**a) Defined contribution plan:**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹829.08 Lakhs (March 31, 2025: ₹724.63 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense

**b) Defined benefit plan:**

**Financial assets not measured at fair value:**

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

| I) | Reconciliation of opening and closing balances of defined benefit obligation | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | **Opening Defined Benefit Obligation** | 321.76 | 258.91 |
| | Transfer in/(out) obligation | - | - |
| | Current service cost | 122.01 | 88.31 |
| | Interest cost | 21.24 | 17.62 |
| | Components of actuarial gain/losses on obligations: | - | - |
| | Due to Change in financial assumptions | (7.75) | 8.56 |
| | Due to change in demographic assumption | - | - |
| | Due to experience adjustments | (35.41) | (34.97) |
| | Past service cost | 164.12 | - |
| | Loss (gain) on curtailments | - | - |
| | Liabilities extinguished on settlements | - | - |
| | Liabilities assumed in an amalgamation in the nature of purchase | - | - |
| | Exchange differences on foreign plans | - | - |
| | Benefits paid | (12.71) | (16.68) |
| | **Closing Defined Benefit Obligation** | **573.27** | **321.76** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| II) | Reconciliation of plan assets | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Opening value of plan assets | 0.03 | 0.02 |
| | Transfer in/(out) plan assets | - | - |
| | Expense deducted from the fund | - | - |
| | Interest Income | 0.00 | 0.00 |
| | Return on plan assets excluding amounts included in interest income | - | 0.00 |
| | Assets Distributed on settlements | - | - |
| | Contribution by the company | - | - |
| | Assets acquired in an amalgamation in the nature of purchase | - | - |
| | Exchange difference on foreign plans | - | - |
| | Benefits paid | - | - |
| | **Fair value of plan assets at the end of the year** | **0.03** | **0.03** |

| III) | Reconciliation of net defined benefit liability | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Net opening provision in books of accounts | 321.74 | 258.88 |
| | Transfer in/(out) obligation | - | - |
| | Transfer (in)/out plan assets | - | - |
| | Employee Benefit Expense | 307.37 | 105.93 |
| | Amounts recognized in Other Comprehensive Income | (43.15) | (26.41) |
| | | **585.95** | **338.41** |
| | Benefits paid by the Company | (12.71) | (16.68) |
| | Contributions to plan assets | - | - |
| | **Closing provision in books of accounts** | **573.24** | **321.74** |

| IV) | Composition of plan assets | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Government of India Securities | 0% | 0% |
| | High quality corporate bonds | 0% | 0% |
| | Equity shares of listed companies | 0% | 0% |
| | Property | 0% | 0% |
| | Policy of Insurance | 100% | 100% |
| | **Total** | **100%** | **100%** |

| V) | Expense recognised during the year | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Current service cost | 122.01 | 88.31 |
| | Interest cost | 21.23 | 17.62 |
| | Past service cost | 164.12 | - |
| | **Expense recognised in the statement of profit and loss** | **307.37** | **105.93** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| VI) | Other comprehensive income | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Components of actuarial gains/losses on obligations: | | |
| | Due to change in financial assumptions | (7.75) | 8.56 |
| | Due to change in demographic assumption | - | - |
| | Due to experience adjustments | (35.41) | (34.97) |
| | Return of plan assets excluding amounts included in interest income | - | (0.00) |
| | **Components of defined benefits cost recognised in other comprehensive income** | **(43.15)** | **(26.41)** |

| VII) | Principal actuarial assumptions | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Discount rate (per annum) | 7.15% | 7.30% |
| | Rate of return on plan assets (per annum) | 7.36% | 8.00% |
| | Annual increase in salary cost | 6.00% | 6.00% |
| | **Withdrawal rates per annum** | | |
| | 25 and below | 25% | 25% |
| | 26 to 35 | 25% | 25% |
| | 36 to 45 | 20% | 20% |
| | 46 to 55 | 10% | 10% |
| | 56 and above | 5% | 5% |

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

**VIII) Sensitivity analysis**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

| Particulars | For the year ended March 31, 2026 | | For the year ended March 31, 2025 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / +0.5%) | 587.22 | 560.02 | 329.99 | 313.95 |
| (% change compared to base due to sensitivity | 2.43% | -2.31% | 2.56% | -2.43% |
| Salary growth rate (- / + 0.5%) | 560.40 | 586.61 | 313.94 | 329.91 |
| (% change compared to base due to sensitivity | -2.25% | 2.33% | -2.43% | 2.53% |
| Withdrawal rate (W.R.) (W.R.*x 90% / W.R.x 110%) | 583.82 | 562.95 | 329.96 | 313.95 |
| (% change compared to base due to sensitivity | 1.84% | -1.80% | 2.55% | -2.43% |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**IX) Asset liability matching strategies**

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

**X) Effect of plan on the company's future cash flows**

**a) Funding arrangements and funding policy**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**b) Maturity analysis of defined benefit obligation**

The Weighted Average Duration (Years) as at valuation date is 5 years.

| Years | Cash flows (₹Lakhs) | Distributions (%) |
|---|---|---|
| 1st Following year | 117.17 | 13.64% |
| 2nd Following year | 73.67 | 8.58% |
| 3rd Following year | 74.44 | 8.67% |
| 4th Following year | 73.54 | 8.56% |
| 5th Following year | 74.05 | 8.62% |
| Sum of years 6 to 10 | 228.30 | 26.58% |

The future accrual is not considered in arriving at the above cash-flows.

**XI) The expected contribution for the next year is ₹163.1 Lakhs**

## 28 Depreciation and Amortisation

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Depreciation of Property, Plant & Equipment | 119.36 | 132.52 |
| Amortization of Right of use Asset | 38.56 | 36.27 |
| Amortisation of Intangible Asset | 10.90 | 10.28 |
| **Total** | **168.82** | **179.07** |

## 29 Other Expenses

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Electricity & fuel charges | 102.97 | 88.39 |
| Repairs to Building | 26.76 | 27.26 |
| Insurance | 1,525.60 | 149.44 |
| Collection Expense | 65.85 | 83.40 |
| Rent | 751.12 | 592.34 |
| Rates & taxes | 79.20 | 74.83 |
| Bank Charges | 53.97 | 54.12 |
| Stationery & printing | 92.31 | 92.98 |





# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Advertisement expenses | 0.54 | 0.71 |
| Communication | 86.44 | 82.20 |
| Traveling & conveyance expenses | 1,741.60 | 1,600.25 |
| Professional fees | 1,020.54 | 805.13 |
| **Auditor's Remuneration** | | |
| Audit fees | 22.44 | 18.17 |
| For certification | 0.65 | 1.27 |
| For Others | 3.76 | 0.43 |
| | 26.85 | 19.87 |
| Corporate social responsibility expenditure (Refer Note 32) | 280.78 | 267.50 |
| Director sitting fees | 10.56 | 8.89 |
| Marketing & incentive expenses | 175.64 | 100.04 |
| General charges (including security charges & membership fees etc.) | 248.00 | 288.83 |
| **Total** | **6,288.74** | **4,336.15** |

## 30 Tax Expenses

**The Components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:**

| | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Current Tax | 1,519.70 | 2,311.20 |
| Adjustment in respect of current tax of prior years | 15.37 | 131.87 |
| Deferred tax | 540.24 | (741.17) |
| **Total Tax Expense** | **2,075.32** | **1,701.90** |
| Total tax charge | | |
| Current Tax | 1,535.07 | 2,443.07 |
| Deferred Tax | 540.24 | (741.17) |

**30.1 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 March 31, 2026 and March 31, 2025 is, as follows:

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Accounting profit before tax expense | 7,735.84 | 6,909.22 |
| Income tax rate % | 25.168% | 25.168% |
| **Computed tax expense** | **1,946.96** | **1,738.91** |
| **Tax effect of:** | | |
| Exempted Items | (513.35) | (876.03) |
| Additional deduction | (2,562.27) | (1,008.84) |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Non Deductible items | 758.90 | 642.51 |
| Adjustment on Account of Change in Tax Rate | 0.56 | (0.71) |
| Others | 2,444.52 | 1,206.06 |
| **Tax expense Recognised in the Statement of Profit and Loss** | **2,075.32** | **1,701.90** |
| Difference | - | 0 |
| Effective Tax Rate | 26.83% | 24.63% |

**31 Earning Per Share:**

| Particulars | | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| **Numerator used for calculating Basic Earning per share (PAT)** | In ₹ | **5,660.53** | **5,207.32** |
| **Numerator used for calculating Diluted Earning per share (PAT)** | In ₹ | **5,660.53** | **5,207.32** |
| **Weighted average no. of shares used as denominator for calculating basic earnings per share** | Shares | **1,04,99,603** | **1,04,84,781** |
| **Effect of dilution:** | | | |
| Dilutive impact of Employee Share Options Scheme | Shares | 66,819 | 86,578 |
| **Weighted average no. of shares used as denominator for calculating diluted earnings per share** | Shares | **1,05,66,421** | **1,05,71,359** |
| Nominal value per Share | In ₹ | 10.00 | 10.00 |
| Basic earnings per share | In ₹ | 53.91 | 49.67 |
| Diluted earnings per share | In ₹ | 53.57 | 49.26 |

**32 Contingent liabilities not provided for:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Contingent liabilities** | | |
| (A) Guarantees given on behalf of subsidiary company: (Refer note below) | | |
| a) To banks | | |
| Amount of guarantees | 13,500.00 | 50,600.00 |
| Amount of loans outstanding | 1,215.86 | 15,325.12 |
| **Disputed Demand of Tax** | | |
| i) Income Tax Act | 49.73 | 1,562.09 |
| ii) TDS | - | - |
| iii) GST | 3.34 | 3.34 |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**33 Corporate social responsibility ("CSR") expenses:**

The gross amount required to be spent by the Group during the year towards CSR is ₹280.78 Lakhs (March 31, 2025: 265.31 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

| Sr. No. | Particulars | In Cash | Transferred to unspent CSR a/c U/s 135(6) | Yet to be paid in Cash | Total |
|---|---|---|---|---|---|
| 1 | Construction/ acquisition of assets | - | - | - | - |
| 2 | Other purpose (Other than 1 above) | 280.78 | - | - | 280.78 |

**34 Leasing Arrangements:**

The Group has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

**I. Amount Recognized in Profit & loss Account During the year**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| i) Expenses related to Short Term Lease | 751.12 | 592.34 |
| ii) Lease Expenses (Interest Expense - Finance Cost) | 23.25 | 9.06 |
| iii) Depreciation charge for right-of-use assets | 38.50 | 36.27 |
| **Total** | **812.87** | **637.67** |

**II. Amounts recognised in statement of cash flows (including Interest Component)**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Total cash outflow for leases | 50.47 | 46.70 |

**III. Additions to right-of-use assets**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Addition to Right of used assets added | 151.79 | - |

**IV. Maturity analysis of lease liabilities**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Maturity Analysis of contractual undiscounted cash flows:** | | |
| Within one year | 52.04 | 28.15 |
| After one year but not more than five years | 286.05 | 114.35 |
| More than five years | - | - |
| **Total undiscounted lease liabilities** | **338.09** | **142.50** |
| **Balances of Lease Liabilities** | | |
| Non-Current | 213.46 | 98.66 |
| Current | 31.13 | 21.37 |
| **Total Lease Liability** | **244.59** | **120.03** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 35 Segment Reporting:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

## 36 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

**A) Key Managerial Personnel**

Mr. Jayendra Patel (Whole Time Director)

Mr. Aalok Patel (Vice Chairman & Managing Director)

Mr. Vivek Modi (Executive Director & Group CFO)

Mr. Jaimish Patel (Company Secretary) (till 18-05-2025)

Mr. Uttam Patel (Company Secretary) (from 20-06-2025)

Mr. Chirag Vora (Chief Financial Officer of Subsidiary)

Mr. Urvish Karathiya (Company Secretary of Subsidiary)

**B) Other Directors and relatives of Key Managerial Personnel**

| Name of Party | Related party Relationship |
|---|---|
| Mr. Alok Prasad | Independent Director |
| Mr. Yash K Shah | Independent Director |
| Mr. Pinakin Shah | Independent Director |
| Ms. Geetaben Solanki | Independent Director |
| Mrs. Ritaben Patel | Non-Executive Director |
| Mr. Aakash Patel | Non-Executive Director |
| Jayendra Patel (HUF) | Key Managerial personnel is Karta |
| Mrs. Sajni Aalok Patel | Close Member of Key Managerial Personnel |
| Aalok Patel (HUF) | Key Managerial personnel is Karta |
| Aakash Patel (HUF) | Director is Karta |

**C) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year**

| | |
|---|---|
| Namra Holdings & Consultancy Services LLP | Key Managerial Personnel is partners |
| Raaj Enterprise | Key Managerial personnel is proprietor |
| J. B. Patel & Co. | Key Managerial personnel is co-owner |
| Arman Foundation | Key Managerial personnel is Trustee |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**D) Details of Transactions with related parties carried out in the ordinary course of business:**

| Particulars | Year Ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Key Managerial Personnel | Director and Relatives of person who has control or significant influence on KMP | Entities in which KMP have control or significant influence | Total |
| **Expenses** | | | | |
| Remuneration & perquisites Paid | 234.99 | - | - | 234.99 |
| Sitting fees | - | 10.56 | - | 10.56 |
| Interest expenses | 74.40 | 215.84 | 38.50 | 328.74 |
| Rent paid | - | 22.52 | - | 22.52 |
| CSR Expenses | - | - | 227.26 | 227.26 |
| **Unsecured Loan** | | | | |
| Unsecured Loan Taken | 666.75 | 1,705.53 | 1,270.00 | 3,642.28 |
| Unsecured Loan Repaid (Including Interest) | 741.15 | 1,921.37 | 1,308.50 | 3,971.02 |

| Particulars | Year Ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Key Managerial Personnel | Director and Relatives of person who has control or significant influence on KMP | Entities in which KMP have control or significant influence | Total |
| **Expenses** | | | | |
| Remuneration & perquisites Paid | 202.28 | - | - | 202.28 |
| Sitting fees | - | 8.89 | - | 8.89 |
| Interest expenses | 58.00 | 76.89 | 102.13 | 237.02 |
| Rent paid | - | 21.45 | - | 21.45 |
| CSR Expenses | - | - | 63.27 | 63.27 |
| **Unsecured Loan** | | | | |
| Unsecured Loan Taken | 487.94 | 599.57 | 795.50 | 1,883.01 |
| Unsecured Loan Repaid (Including Interest) | 545.94 | 676.45 | 897.63 | 2,120.02 |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**E) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:**

**Unsecured Loan Taken:**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 281.53 | 254.97 |
| 2 | Aalok Patel | 24.75 | 13.00 |
| 3 | Aalok Patel (HUF) | 2.25 | 2.10 |
| 4 | Jayendra Patel | 642.00 | 474.94 |
| 5 | Jayendra Patel (HUF) | 1,039.00 | 29.50 |
| 6 | Namra Holdings & Consultancy Services LLP | 1,231.00 | 760.00 |
| 7 | Raaj Enterprise | 39.00 | 35.50 |
| 8 | Ritaben Patel | 382.75 | 313.00 |

**Unsecured Loan Repayments:**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 320.56 | 288.89 |
| 2 | Aalok Patel | 27.95 | 14.47 |
| 3 | Aalok Patel (HUF) | 2.56 | 2.39 |
| 4 | Jayendra Patel | 713.19 | 531.47 |
| 5 | Jayendra Patel (HUF) | 1,163.91 | 33.40 |
| 6 | Namra Holdings & Consultancy Services LLP | 1,264.10 | 857.31 |
| 7 | Raaj Enterprise | 44.40 | 40.32 |
| 8 | Ritaben Patel | 434.34 | 351.76 |

**Remuneration & Perquisites Paid:**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aalok Jayendra Patel | 70.04 | 55.62 |
| 2 | Jaimish Govindbhai Patel | 2.20 | 13.23 |
| 3 | Jayendra Bhailal Patel | 90.13 | 81.25 |
| 4 | Vivek Arun Modi | 36.49 | 39.51 |
| 5 | Chirag Vora | 14.73 | 7.92 |
| 6 | Uttam Patel | 13.83 | - |
| 7 | Urvish Karathiya | 7.57 | 4.75 |

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. (All Amounts are ₹ in Lakhs, unless otherwise stated)

**Interest expenses**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 39.03 | 33.93 |
| 2 | Aalok Patel | 3.20 | 1.47 |
| 3 | Aalok Patel (HUF) | 0.31 | 0.29 |
| 4 | Jayendra Patel | 71.19 | 56.53 |
| 5 | Jayendra Patel (HUF) | 124.91 | 3.90 |
| 6 | Namra Holdings & Consultancy Services LLP | 33.10 | 97.31 |
| 7 | Raaj Enterprise | 5.40 | 4.82 |
| 8 | Ritaben Patel | 51.59 | 38.76 |

**Sitting fees**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Alok Prasad | 2.61 | 2.48 |
| 2 | Geetaben Solanki | 0.93 | 0.81 |
| 3 | Ramakant Nagpal | - | 0.57 |
| 4 | Ritaben Patel | 1.64 | 1.91 |
| 5 | Yash Shah | 2.41 | 1.86 |
| 6 | Pinakin Shah | 2.98 | 1.27 |

**Rent paid**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | J. B. Patel & Co. | 0.20 | 0.20 |
| 2 | Ritaben J. Patel | 17.29 | 16.47 |
| 3 | Sajniben A Patel | 2.51 | 2.39 |
| 4 | Aakash Jayendra Patel HUF | 2.51 | 2.39 |

**CSR Expenses**

| SRN | Name of Relative | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Arman Foundation | 227.26 | 63.27 |

**F) Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. Transactions with key management personnel are as follows:**

| Particulars | 2025-26 | 2024-25 |
|---|---|---|
| Post-employment benefits | 19.13 | 12.59 |
| Share Based Payment | 25.31 | 48.03 |
| **Total** | **44.44** | **60.62** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**37** There have been no events after the reporting date that require disclosure in these financial statements.

**38 Stock Option Scheme**

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023' ("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2026, Company has granted 8,100 new stock options under the scheme of ESOP 2023 (P.Y. 12,350 options granted under the scheme of ESOP 2023).

**Details of grant and exercise of such options are as follows:**

| Schemes | Tranches | No. of options granted | Date of grant | No of Employees | F.Y. | No. of employees who have exercised the option | No. of options exercised |
|---|---|---|---|---|---|---|---|
| ESOP-2016 | ESOP-2016 -1 | 97,500 | 26-May-17 | 55 | 2018-19 | 49 | 27,645 |
| | | | | | 2019-20 | 48 | 26,595 |
| | | | | | 2020-21 | 45 | 34,340 |
| | ESOP-2016 -2 | 9,000 | 25-May-18 | 3 | 2019-20 | 2 | 2,400 |
| | | | | | 2020-21 | 2 | 2,400 |
| | | | | | 2021-22 | 2 | 3,200 |
| | ESOP-2016 -3 | 2,500 | 13-Oct-18 | 1 | 2019-20 | 1 | 750 |
| | | | | | 2020-21 | 1 | 750 |
| | ESOP-2016-4 | 3,500 | 12-Feb-21 | 6 | 2022-23 | 5 | 750 |
| | | | | | 2023-24 | 4 | 645 |
| | | | | | 2024-25 | 4 | 860 |
| | ESOP-2016-5 | 2,000 | 14-Feb-22 | 2 | 2023-24 | 2 | 600 |
| | | | | | 2024-25 | 1 | 300 |
| | | | | | 2025-26 | 1 | 400 |
| | ESOP-2016-6 | 4,500 | 14-Feb-23 | 2 | 2024-25 | 1 | 750 |
| | | | | | 2025-26 | 1 | 750 |
| | ESOP-2016-7 | 1,000 | 14-Aug-23 | 1 | 2024-25 | 1 | 300 |
| | | | | | 2025-26 | 1 | 300 |
| ESOP-2023 | ESOP-2023-1 | 1,48,600 | 14-Aug-23 | 730 | 2024-25 | 497 | 11,554 |
| | | | | | 2025-26 | 422 | 19,878 |
| | ESOP-2023-2 | 12,350 | 14-Aug-24 | 30 | 2024-25 | - | - |
| | | | | | 2025-26 | 25 | 1,055 |
| | ESOP-2023-3 | 8,100 | 13-Aug-25 | 10 | 2025-26 | - | - |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Key terms and conditions related to the grant of the stock options are as follows:**

| Particulars | ESOP 2016 |
|---|---|
| Date of Grant | May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023 |
| Date of board meeting, where ESOP were approved | 11 August 2016 |
| Date of committee meeting where grant of options were approved | May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023 |
| Date of Shareholder's approval | September 22, 2016 |
| No. of options granted | 1,20,000 out of 1,25,000 |
| Method of Settlement | Through allotment of one equity share for each option granted |
| Vesting conditions | The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options. |
| Vesting period | Option will be vested at the End of Year from the Grant Date: - |
| | 1. 30% End of 1 Year |
| | 2. 30% End of 2 Years |
| | 3. 40% End of 3 Years |
| | Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force. |
| Exercise period | It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options |
| **Particulars** | **ESOP 2023** |
| Date of Grant | August 14, 2023, August 14, 2024 and August 13, 2025 |
| Date of board meeting, where ESOP were approved | May 30, 2023 |
| Date of committee meeting where grant of options were approved | August 14, 2023, August 14, 2024 and August 13, 2025 |
| Date of Shareholder's approval | July 4, 2023 |
| No. of options granted | 1,69,050 out of 3,00,000 |
| Method of Settlement | Through allotment of one equity share for each option granted |
| Vesting conditions | The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options. |
| Vesting period | Option will be vested at the End of Year from the Grant Date: - |
| | 1. 10% End of 1 Year |
| | 2. 20% End of 2 Years |
| | 3. 30% End of 3 Years |
| | 4. 40% End of 4 Years |
| Exercise period | It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Details of Vesting and Exercise of Options (ESOP 2016):**

| Vesting Date | ESOP-2016 | | ESOP-2023 | |
|---|---|---|---|---|
| | Vested Options | No of Option Exercised | Vested Options | No of Option Exercised |
| May 26, 2018 | 29,250 | 27,645 | - | - |
| May 25, 2019 | 2,700 | 2,400 | - | - |
| May 26, 2019 | 28,485 | 26,595 | - | - |
| October 13, 2019 | 750 | 750 | - | - |
| May 25, 2020 | 34,660 | 34,340 | - | - |
| May 26, 2020 | 2,400 | 2,400 | - | - |
| October 13, 2020 | 750 | 750 | - | - |
| May 24, 2021 | 3,200 | 3,200 | - | - |
| February 12, 2022 | 1,050 | 750 | - | - |
| February 11, 2023 | 750 | 645 | - | - |
| February 13, 2023 | 600 | 600 | - | - |
| February 11, 2024 | 860 | 860 | - | - |
| February 13, 2024 | 1,050 | 1,050 | - | - |
| August 13, 2024 | 300 | 300 | 11,924 | 11,606 |
| February 13, 2025 | 1,150 | 1,150 | - | - |
| August 13, 2025 | 300 | 300 | 22,197 | 20,881 |

**The following table sets forth a summary of ESOP schemes:**

| Particulars | ESOP-2016 | | ESOP-2023 | |
|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Options outstanding at the beginning of the year | 2,850 | 5,060 | 1,12,956 | 1,27,040 |
| Vested but not exercised at the beginning of the year | 1,150 | 1,910 | 256 | - |
| Granted during the year | - | - | 8,100 | 12,350 |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | 1,450 | 2,210 | 21 | 11,554 |
| Lapsed during the year | - | - | 10,600 | 14,880 |
| Outstanding at the end of the year | 1,400 | 2,850 | 89,523 | 1,12,956 |
| Exercisable at the end of the year | 1,000 | 1,150 | 1,254 | 256 |
| Weighted average exercise price per option | ₹50/- | ₹50/- | ₹500/- | ₹500/- |

The Group has recognised share based payment expense of ₹457.68 Lakhs (March 31, 2025: ₹726.5 Lakhs) during the year as proportionate cost.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Share options outstanding at the end of the year have the following contractual expiry date and exercise options:**

| Tranches | Grant date | Number of Granted options | Expiry date | Exercise price | Number of options outstanding | |
|---|---|---|---|---|---|---|
| | | | | | As at March 31, 2026 | As at March 31, 2025 |
| ESOP-2016-5 | 14-Feb-22 | 800 | 13-Feb-25 | 50 | - | 400 |
| ESOP-2016-6 | 14-Feb-23 | 1,350 | 13-Feb-25 | 50 | - | 750 |
| | 14-Feb-23 | 1,800 | 13-Feb-26 | 50 | 1,000 | 1,000 |
| ESOP-2016-7 | 14-Aug-23 | 300 | 13-Aug-25 | 50 | - | 300 |
| | 14-Aug-23 | 400 | 13-Aug-26 | 50 | 400 | 400 |
| ESOP-2023-1 | 14-Aug-23 | 14,860 | 13-Aug-24 | 500 | 124 | 256 |
| | 14-Aug-23 | 29,720 | 13-Aug-25 | 500 | 1,130 | 22,300 |
| | 14-Aug-23 | 44,580 | 13-Aug-26 | 500 | 30,636 | 33,450 |
| | 14-Aug-23 | 59,440 | 13-Aug-27 | 500 | 40,848 | 44,600 |
| ESOP-2023-2 | 14-Aug-24 | 1,235 | 13-Aug-25 | 500 | - | 1,235 |
| | 14-Aug-24 | 2,470 | 13-Aug-26 | 500 | 1,930 | 2,470 |
| | 14-Aug-24 | 3,705 | 13-Aug-27 | 500 | 2,895 | 3,705 |
| | 14-Aug-24 | 4,940 | 13-Aug-28 | 500 | 3,860 | 4,940 |
| ESOP-2023-3 | 13-Aug-25 | 810 | 13-Aug-26 | 500 | 810 | - |
| | 13-Aug-25 | 1,620 | 13-Aug-27 | 500 | 1,620 | - |
| | 13-Aug-25 | 2,430 | 12-Aug-28 | 500 | 2,430 | - |
| | 13-Aug-25 | 3,240 | 12-Aug-29 | 500 | 3,240 | - |
| | | | Total | | 90,923 | 1,15,806 |

**Measurement of fair values**

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

| Tranches | Grant date | Expiry date | Historical volatility | Exercise price | Share price | Risk free rate | Fair value of option |
|---|---|---|---|---|---|---|---|
| ESOP-2016-5 | 14-Feb-22 | 13-Feb-25 | 50.97% | 50 | 747.65 | 5.40% | 705.43 |
| ESOP-2016-6 | 14-Feb-23 | 13-Feb-25 | 22.02% | 50 | 1,511.00 | 7.31% | 1,468.18 |
| | 14-Feb-23 | 13-Feb-26 | 22.02% | 50 | 1,511.00 | 7.39% | 1,471.30 |
| ESOP-2016-7 | 14-Aug-23 | 13-Aug-25 | 45.00% | 50 | 2,308.00 | 7.29% | 2,265.16 |
| | 14-Aug-23 | 13-Aug-26 | 45.00% | 50 | 2,308.00 | 7.31% | 2,268.20 |
| ESOP-2023-1 | 14-Aug-23 | 13-Aug-24 | 45.00% | 500 | 2,308.00 | 7.28% | 1,876.55 |
| | 14-Aug-23 | 13-Aug-25 | 45.00% | 500 | 2,308.00 | 7.31% | 1,909.50 |
| | 14-Aug-23 | 13-Aug-26 | 45.00% | 500 | 2,308.00 | 7.33% | 1,941.18 |
| | 14-Aug-23 | 13-Aug-27 | 45.00% | 500 | 2,308.00 | 7.33% | 1,970.87 |
| ESOP-2023-2 | 14-Aug-24 | 13-Aug-25 | 45.00% | 500 | 1,798.40 | 6.85% | 1,348.14 |
| | 14-Aug-24 | 13-Aug-26 | 45.00% | 500 | 1,798.40 | 6.91% | 1,382.15 |
| | 14-Aug-24 | 13-Aug-27 | 45.00% | 500 | 1,798.40 | 6.92% | 1,415.13 |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Tranches | Grant date | Expiry date | Historical volatility | Exercise price | Share price | Risk free rate | Fair value of option |
|---|---|---|---|---|---|---|---|
| | 14-Aug-24 | 13-Aug-28 | 45.00% | 500 | 1,798.40 | 6.88% | 1,445.70 |
| ESOP-2023-3 | 13-Aug-25 | 13-Aug-26 | 45.00% | 500 | 1,379.40 | 6.24% | 945.12 |
| | 13-Aug-25 | 13-Aug-27 | 45.00% | 500 | 1,379.40 | 6.49% | 982.36 |
| | 13-Aug-25 | 12-Aug-28 | 45.00% | 500 | 1,379.40 | 6.54% | 1,016.10 |
| | 13-Aug-25 | 12-Aug-29 | 45.00% | 500 | 1,379.40 | 6.74% | 1,049.35 |

**39** The Board of Directors has not recommended any dividend for the financial year 2025-26 (P.Y. Dividend Nil per equity share of face value of ₹10/- each)

**40 Additional Information As required by Paragraph 2 of the general Instruction for Preparation of the Consolidated Financial Statements to the Schedule III of the Act**

| Name of the entity | Net Assets i.e. 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 | Amounts | As % of Consolidated Profit & Loss | Amounts | As % of Consolidated net assets | Amounts | As % of total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Arman Financial Services Limited | 30.32% | 28,298.88 | 76.30% | 4,319.13 | -12.11% | 40.18 | 81.81% | 4,359.31 |
| **Subsidiaries Indian** | | | | | | | | |
| Namra Finance Limited | 69.68% | 65,034.34 | 23.70% | 1,341.40 | 112.11% | (371.88) | 18.19% | 969.52 |
| Foreign | - | - | - | - | - | - | - | - |
| **Minority interests in all subsidiaries associates (investments as per the equity method)** | | | | | | | | |
| **Parent Subsidiaries Indian** | | | | | | | | |
| Namra Finance Limited | - | - | - | - | - | - | - | - |
| Foreign | - | - | - | - | - | - | - | - |
| **Total** | **100.00%** | **93,333.22** | **100.00%** | **5,660.53** | **100.00%** | **(331.70)** | **100.00%** | **5,328.82** |





# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**41 The Amount expected to be Recovered or Settled within or after 12 months from reporting date:**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | Note No. | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **ASSETS** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash and cash equivalents | 1 | 8,778.32 | - | 8,778.32 | 6,775.03 | - | 6,775.03 |
| Bank Balance other than above | 2 | 28,986.19 | 2,123.03 | 31,109.22 | 30,704.45 | 2,862.51 | 33,566.96 |
| Loans | 3 | 1,28,406.64 | 92,940.75 | 2,21,347.39 | 1,16,366.40 | 52,000.03 | 1,68,366.43 |
| Investments | 4 | 9,246.14 | - | 9,246.14 | 3,897.15 | - | 3,897.15 |
| Other Financial assets | 5 | 2,417.10 | 181.80 | 2,598.90 | 3,821.09 | 336.13 | 4,157.22 |
| **Non-financial Assets** | | | | | | | |
| Current tax assets (Net) | 15 | 633.63 | - | 633.63 | - | - | - |
| Deferred tax Assets (Net) | 6 | 2,167.39 | - | 2,167.39 | 2,596.07 | - | 2,596.07 |
| Property, Plant and Equipment | 7 | - | 2,936.27 | 2,936.27 | - | 2,989.77 | 2,989.77 |
| Other Intangible assets | 7 | - | 7.25 | 7.25 | - | 9.56 | 9.56 |
| Capital Work-in-progress | 7 | - | 256.14 | 256.14 | - | 19.62 | 19.62 |
| Right of Use Assets | 7 | - | 218.44 | 218.44 | - | 105.21 | 105.21 |
| Other non-financial assets | 8 | 458.74 | 23.19 | 481.93 | 244.71 | 3.91 | 248.62 |
| **Total Assets** | | **1,81,094.15** | **98,686.87** | **2,79,781.02** | **1,64,404.90** | **58,326.75** | **2,22,731.65** |
| **LIABILITIES AND EQUITY** | | | | | | | |
| **LIABILITIES** | | | | | | | |
| **Financial Liabilities** | | | | | | | |
| Trade Payables | 9 | | | | | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 26.81 | - | 26.81 | 52.42 | - | 52.42 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 164.36 | - | 164.36 | 71.78 | - | 71.78 |
| Debt Securities | 10 | 15,524.51 | 68,901.66 | 84,426.17 | 21,125.99 | 12,325.10 | 33,451.09 |
| Borrowings (Other than Debt Securities) | 11 | 66,852.24 | 25,293.84 | 92,146.08 | 64,504.25 | 24,276.71 | 88,780.96 |
| Subordinated Liabilities | 12 | - | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 |
| Other financial liabilities | 13 | 7,526.50 | 244.59 | 7,771.10 | 11,014.18 | 133.04 | 11,147.22 |
| **Non-Financial Liabilities** | | | | | | | |
| Provisions | 14 | 424.91 | 148.33 | 573.24 | 248.07 | 73.67 | 321.74 |
| Other non-financial liabilities | 16 | 340.05 | - | 340.05 | 262.83 | 0.00 | 262.84 |
| **EQUITY** | | | | | | | |
| Equity Share capital | 17 | - | 1,051.29 | 1,051.29 | - | 1,049.05 | 1,049.05 |
| Other Equity | 18 | - | 92,281.93 | 92,281.93 | - | 86,392.28 | 86,392.28 |
| **Total Liabilities and Equity** | | **90,859.38** | **1,88,921.64** | **2,79,781.02** | **97,481.81** | **1,25,249.85** | **2,22,731.65** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**42 Fair Value Measurements:**

**A Financial instrument by category and their fair value**

| As at March 31, 2026 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | 297.00 | 2,21,050.39 | - | - | - | 2,21,347.39 | 2,21,347.39 |
| Cash and Cash Equivalents | 1 | 8,778.32 | - | - | 8,778.32 | - | - | 8,778.32 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 | 32,062.22 | - | - | - | 32,062.22 | - | 32,062.22 |
| Investments | 4 | 7,119.52 | | 2,126.63 | 2,126.63 | - | 7,119.52 | 9,246.14 |
| Security Deposits | 5 | 51.48 | - | - | - | - | 51.48 | 51.48 |
| Other Advance | 5 | 77.57 | - | - | - | - | 77.57 | 77.57 |
| Income Receivable from Direct Assignment | 5 | 1,407.07 | - | - | - | - | 1,407.07 | 1,407.07 |
| Interest Due but not Received on Loans and Advances | 5 | 109.79 | - | - | - | - | 109.79 | 109.79 |
| **Total** | | **49,902.96** | **2,21,050.39** | **2,126.63** | **10,904.94** | **32,062.22** | **2,30,112.81** | **2,73,079.97** |
| **Financial Liabilities** | | | | | | | | |
| Trade Payable | 9 | 191.16 | - | - | - | - | 191.16 | 191.16 |
| Debt Securities | 10 | 84,426.17 | - | - | - | - | 84,426.17 | 84,426.17 |
| Borrowings (Other than Debt Securities) | 11 | 92,146.08 | - | - | - | - | 92,146.08 | 92,146.08 |
| Subordinated Liabilities | 12 | 1,000.00 | - | - | - | - | 1,000.00 | 1,000.00 |
| Other financial liabilities | 13 | 7,771.10 | - | - | - | - | 7,771.10 | 7,771.10 |
| **Total Financial Liabilities** | | **1,85,534.51** | **-** | **-** | **-** | **-** | **1,85,534.51** | **1,85,534.51** |



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| As at March 31, 2025 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | 2,736.00 | 1,65,630.43 | - | - | - | 1,68,366.43 | 1,68,366.43 |
| Advance given for Land Acquisition | 5 | - | - | - | - | - | - | - |
| Cash and Cash Equivalents | 1 | 6,775.03 | - | - | 6,775.03 | - | - | 6,775.03 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 | 34,634.57 | - | - | - | 34,634.57 | - | 34,634.57 |
| Investments | 4 | 3,123.75 | | 773.40 | 773.40 | - | 3,123.75 | 3,897.15 |
| Security Deposits | 5 | 42.21 | - | - | - | - | 42.21 | 42.21 |
| Other Advance | 5 | 200.02 | - | - | - | - | 200.02 | 200.02 |
| Income Receivable from Direct Assignment | 5 | 2,120.70 | - | - | - | - | 2,120.70 | 2,120.70 |
| Interest Due but not Received on Loans and Advances | 5 | 726.68 | - | - | - | - | 726.68 | 726.68 |
| **Total** | | **50,358.96** | **1,65,630.43** | **773.40** | **7,548.43** | **34,634.57** | **1,74,579.79** | **2,16,762.79** |
| **Financial Liabilities** | | | | | | | | |
| Trade Payable | 9 | 124.20 | - | - | - | - | 124.20 | 124.20 |
| Debt Securities | 10 | 33,451.09 | - | - | - | - | 33,451.09 | 33,451.09 |
| Borrowings (Other than Debt Securities) | 11 | 88,780.96 | - | - | - | - | 88,780.96 | 88,780.96 |
| Subordinated Liabilities | 12 | 1,000.00 | - | - | - | - | 1,000.00 | 1,000.00 |
| Other financial liabilities | 13 | 11,147.22 | - | - | - | - | 11,147.22 | 11,147.22 |
| **Total Financial Liabilities** | | **1,34,503.47** | **-** | **-** | **-** | **-** | **1,34,503.47** | **1,34,503.47** |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**B Reconciliation of level 3 fair value measurement is as follows:**

| Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Balance at the beginning of the year | 1,68,366.43 | 2,03,291.17 |
| Addition during the year | 2,13,189.66 | 1,44,713.41 |
| Amount derecognised / repaid during the year | (1,44,131.30) | (1,52,717.12) |
| Amount written off | (20,076.65) | (24,194.94) |
| Gains/(losses) recognised in statement of profit or loss | 3,999.25 | (2,726.10) |
| Balance at the end of the year | 2,21,347.39 | 1,68,366.43 |

**C Measurement of fair values**

**I. Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

**II. Financial instruments - fair value**

"The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

**III. Transfers between levels I and II**

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

**IV. Valuation techniques**

**Loans**

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

**D Capital**

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, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

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.

**Capital management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

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

**43 Financial Risk Management Objectives and Policies:**

The Company's principal financial liabilities comprise borrowings 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 loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market 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, 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.

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'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.

**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 receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

**Loans and advances:**

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 risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Retail assets (Refer Note 3) | 2,21,050.39 | 1,65,630.43 |
| Inter corporate deposits (Refer Note 3) | 297.00 | 2,736.00 |
| Loans to NBFC-to Create the underlying assets | - | - |
| **Total** | **2,21,347.39** | **1,68,366.43** |

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. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

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 the portfolio into following groups.

a TW & LAP Loans

b SME Loans

c Retail Asset Channel Loans

d Microfinance

**Staging:**

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. 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.

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 |
| 31-60 days | Stage 2 | Lifetime Provision |
| 61-90 days | Stage 2 | Lifetime Provision |
| 90+ days | Stage 3 | Lifetime Provision |

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**EXPECTED CREDIT LOSS FOR LOANS:**

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments.'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

**Marginal probability of default:**

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data."

**Marginal probability:**

The PDs derived from the Vasicek 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. Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios."

**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. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:"

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
    a) Outstanding balance (POS).
    b) Recovery amount (discounted yearly) by initial contractual rate.
    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
    d) Collateral (security) amount.

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

**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. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the 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.

**Changes in ECL allowances in relation to loans from beginning to end of reporting period:** (₹ in Lakhs)

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Opening provision of ECL | 11,742.52 | 9,016.42 |
| Addition during the year | 13,106.44 | 12,546.65 |
| Utilization / reversal during the year | (17,105.69) | (9,820.55) |
| Closing provision of ECL | 7,743.28 | 11,742.52 |

**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 unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Holding Company, as on 31 March 2026 is 27.86% against regulatory norms of 15%. Tier I capital is 27.65% as against requirement of 10%. Tier II capital is 0.21% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Capital adequacy ratio of the Subsidiary Company, as on 31 March 2026 is 41.01% against regulatory norms of 15%. Tier I capital is 40.49% as against requirement of 10%. Tier II capital is 0.52% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total FDOD & CC limits available to the Company is ₹2262 Lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.



# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

The table below summarizes 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.

| | 1 Day to 30/31 Days (One Month) | Over One Month up to 2 Months | Over 2 Months up to 3 Months | Over 3 Months up to 6 Months | Over 6 Months up to 1 Year | Over 1 Year up to 3 Years | Over 3 Year up to 5 Years | Over 5 Years | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at March 31, 2026** | | | | | | | | | |
| Debt Securities (Refer Note 10) | 4,949.78 | 3,363.60 | 4,840.27 | 791.40 | 1,579.46 | 68,901.66 | - | - | 84,426.17 |
| Borrowings & Subordinated Liabilities (Refer Note 11 & 12) | 5,660.34 | 6,181.71 | 5,802.55 | 16,418.50 | 32,789.14 | 26,293.84 | - | - | 93,146.08 |
| Trade Payable | 191.16 | - | - | - | - | - | - | - | 191.16 |
| **As at March 31, 2025** | | | | | | | | | |
| Debt Securities (Refer Note 10) | 602.53 | 4,907.46 | 2,883.60 | 2,656.69 | 10,075.72 | 12,325.10 | - | - | 33,451.09 |
| Borrowings & Subordinated Liabilities (Refer Note 11 & 12) | 6,978.44 | 6,479.03 | 5,501.98 | 17,912.48 | 27,632.32 | 25,276.71 | - | - | 89,780.96 |
| Trade Payable | 22.05 | 102.15 | - | - | - | - | - | - | 124.20 |

**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 and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**IV 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 borrowings and 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 sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

(₹ In Lakhs)

| Particulars | For the year ended on March 31, 2026 | |
|---|---|---|
| **Change in interest rates** | **50 bp increase** | **50 bp decrease** |
| Bank Deposits | 31,109.22 | 31,109.22 |
| Impact on profit for the year | 155.55 | (155.55) |
| Variable Rate Borrowings | 83,718.49 | 83,718.49 |
| Impact on profit for the year | (418.59) | 418.59 |

# Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**V Foreign currency risk:**

As at March 31, 2026, the company has no outstanding foreign currency borrowings (March 31, 2025: Nil).

**44** The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2026, the Company has written off (net) ₹18731.84 Lakhs. The Total ECL provision of ₹7743.28 Lakhs on Loans and Advances is retained by the company as at March 31, 2026. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

**45** Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Standalone Financial Statements

# Independent Auditor's Report

To
The Members of
**Arman Financial Services Limited**
Ahmedabad

**Report on the Audit of the Standalone Financial Statements**

## OPINION

We have audited the accompanying Standalone Financial Statements of Arman Financial Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit or loss and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

## KEY AUDIT MATTERS

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.



**The key audit matter identified in our audit relates to Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]**

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| As at March 31, 2026 the Company has Loan assets (loans) amounting to ₹76,370.43 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2026. Expected credit loss cannot be measured precisely, but can only be estimated using statistical models and assumptions. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected credit losses. Uncertainties in economic conditions and market volatility compared to previous years have led the management to increase the provision by ₹184.53 Lakhs for the year ended March 31, 2026. Considering the significance of the above matter to the Standalone Financial Statements and the substantial judgment involved in the calculation of expected credit losses, we have identified this as a key audit matter for the current year audit. | Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the Standalone Financial Statements were reasonable and the related disclosures in the Standalone Financial Statements made by the management were adequate. These procedures included, but were not limited, to the following:<br>a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of data on which the calculation is based;<br>b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used;<br>c) evaluating management overlays and benchmarking assumptions against industry trends and historical loss experience;<br>d) testing the arithmetical calculation of the expected credit losses;<br>e) verifying the adequacy of the related disclosures; and<br>f) obtaining written representations from management whether the significant assumptions used in calculation of expected credit losses are reasonable. |

## OTHER INFORMATION

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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.

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 management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

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 SAs 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.

As part of an audit in accordance with SAs, 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 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 financial 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 system 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 the management.

- Conclude on the appropriateness of management's 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.

- 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

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.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report 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 purposes of our audit of the accompanying Standalone Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e) On the basis of the written representations received from the directors as on 31 March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

3. 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, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March, 2026 on its financial position in its Standalone Financial Statements – Refer Note 31 to the Standalone Financial Statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, 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:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material misstatement.

   e) The Company has not declared or paid any dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

   f) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level as well as at the database level and the same has 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. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

For **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

**Guharoy Ashish Kumar**
Partner
Membership No. 018659
UDIN: 26018659QWYXCF9883

Place: Hyderabad
Date: 27 May, 2026

# Annexure "A"

**To Independent Auditor's Report On Standalone Financial Statements Of Arman Financial Services Limited for the year ended on March 31, 2026**

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

**(i) In respect of its Property, Plant, Equipment and Intangible Assets:**

a. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

(ii) The Company has maintained proper records showing full particulars of Intangible Assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified once in every three years. In accordance with this program, Property, Plant and Equipment were verified by the management during the year ended March 31, 2026. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.

**(ii) In respect of its Inventories:**

a. The Company is in the business of providing loans and does not have any physical Inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of ₹5 Crore, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the reporting requirements under clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

**(iii)** a. The Company is Non-Banking Financial Company ('NBFC') 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. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the interest of the Company.

c. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3.1 to the Standalone Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. The Company has taken reasonable steps for recovery of Principal and Interest.

d. The Company, being a NBFC, registered under the provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3.1 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹2,546.14 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan agreements are taken by the Company for recovery thereof.

e. The Company's principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) is not applicable to the Company.

**(iv)** According to the information and explanation given to us, the Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013, with respect to the loans given, investments made and guarantees and securities given.

**(v)** In our opinion and according to the information and explanations given to us, The provisions of 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 a non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

**(vi)** The Central Government has not specified maintenance of cost records under sub-Section (1) of Section 148 of the Act, in respect of the activities undertaken by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

**(vii)** In respect of statutory dues:

a. Based on the examination of the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues which remained outstanding as at March 31, 2026 for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no disputed statutory dues of income tax or sales tax or service tax or value added tax or cess that have not been deposited on account of any dispute, except for the following:

| Name of the statute | Nature of dues | Amount (₹ in Lacs) | Periods to which the amount relates (A.Y) | Forum where the dispute is pending | Remarks (If any) |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 36.46 | 2008-09 | CIT (A) | - |
| Income Tax Act, 1961 | Income Tax | 13.27 | 2010-11 | CIT (A) | - |

**(viii)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) a. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

b. According to the information and explanations given to us including representation received from the management of the Company, we report that the Company has not been declared as wilful defaulter by any Bank or Financial Institution.

c. According to the information and explanations given to us, and on the basis of overall examination of Standalone Financial Statements of the Company, in our opinion term loans taken during the year were applied for the purpose for which they were obtained.

d. According to the information and explanations given to us, the Company has not utilized funds raised on short term basis for long term purpose.

e. According to information and explanations given to us, we are of the opinion that the Company has not raised funds from any entity or person on account of or to meet the obligations of its Subsidiary.

f. 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 subsidiary.

**(x) In Respect of Utilization of Issue Proceeds:**

a. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no material fraud by the Company or any fraud on the Company by its officer or employees has been noticed or reported during the period covered by our audit.

b. Based upon the audit procedures performed, no report under Section 143(12) of the Act has been filed 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) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. 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 related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable. Further, the details thereof have been disclosed in the Standalone Financial Statements, as required under Ind AS 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.

(xiv) In Respect of Internal Audit System

a. According to the information and explanations given to us, the Company has an internal audit system 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 of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected to 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. In our opinion and according to the information and explanation given to us, the Company is registered under Section 45-IA of Reserve Bank of India Act, 1934, and registration certificate for the same has been obtained.

b. In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without valid Certificate of Registration from the Reserve Bank of India as per 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 as defined in the regulation made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. According to the information and explanations given to us and as represented by the management of the Company, the Group to which the Company belongs has no Core Investment Company as part of the group.

(xvii) In our opinion, and according to the information and explanations given to us, the Company has not incurred 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 realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans 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 that the 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) In Respect to Unspent CSR:

a. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount as on reporting date which was required to be transferred to a Fund specified in Schedule VII to the Companies Act within the period of six months of the expiry of financial year in compliance with second proviso to sub-Section (5) of Section 135 of the said Act;

b. In our opinion and according to the information and explanations given to us, the Company has transferred unspent amount pursuant to the ongoing project to a special account in compliance with the provision of sub-Section (6) of Section 135 of the Act.

For **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

**Guharoy Ashish Kumar**
Partner
Membership No. 018659

Place: Hyderabad
Date: 27 May, 2026
UDIN: 26018659QWYXCF9883

# Annexure "B"

**To Independent Auditor's Report on the Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2026**

**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls with reference to Standalone Financial Statements of Arman Financial Services Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 its 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

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

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 included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

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 includes 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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.



### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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 control 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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

**Guharoy Ashish Kumar**
Partner
Membership No. 018659

Place: Hyderabad
Date: 27 May, 2026
UDIN: 26018659QWYXCF9883

# Standalone Balance Sheet

as at March 31, 2026 (₹ in Lakhs)

| Particulars | | Note No. | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1)** | **Financial Assets** | | | |
| | (a) Cash and cash equivalents | 1 | 7,484.27 | 480.94 |
| | (b) Bank balance other than (a) above | 2 | 7,165.44 | 6,897.72 |
| | (c) Loans | 3 | 76,370.43 | 55,272.33 |
| | (d) Investments | 4 | 42,091.58 | 35,126.21 |
| | (e) Other financial assets | 5 | 336.98 | 448.68 |
| **(2)** | **Non-financial Assets** | | | |
| | (a) Current tax assets (Net) | 6 | 50.79 | - |
| | (b) Deferred tax assets (Net) | 7 | 754.85 | 676.83 |
| | (c) Property, plant and equipment | 8 | 2,534.39 | 2,530.66 |
| | (d) Other intangible assets | 8 | 7.25 | 9.56 |
| | (e) Capital Work-in-progress | 8 | 256.14 | 19.62 |
| | (f) Other non-financial assets | 9 | 173.80 | 150.23 |
| | **Total Assets** | | **1,37,225.91** | **1,01,612.78** |
| | **LIABILITIES AND EQUITY** | | | |
| | **LIABILITIES** | | | |
| **(1)** | **Financial Liabilities** | | | |
| | (a) (I) Trade Payables | 10 | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 127.73 | 22.05 |
| | (b) Debt securities | 11 | 44,284.14 | 13,953.58 |
| | (c) Borrowings (Other than debt securities) | 12 | 27,978.02 | 27,170.03 |
| | (d) Subordinated liabilities | 13 | - | - |
| | (e) Other financial liabilities | 14 | 1,241.03 | 883.14 |
| **(2)** | **Non-Financial Liabilities** | | | |
| | (a) Current tax liabilities (Net) | 6 | - | 648.84 |
| | (b) Provisions | 15 | 202.18 | 105.48 |
| | (c) Other non-financial liabilities | 16 | 148.48 | 249.47 |
| **(3)** | **EQUITY** | | | |
| | (a) Equity share capital | 17 | 1,051.29 | 1,049.05 |
| | (b) Other equity | 18 | 62,193.03 | 57,531.13 |
| | **Total** | | **1,37,225.91** | **1,01,612.78** |

See accompanying notes to the financial statements 1 to 45

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)



# Standalone Statement of Profit & Loss

for the year ended March 31, 2026 (₹ in Lakhs)

| | Particulars | Note No. | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
|---|---|---|---|---|
| **(1)** | **Revenue from operations** | | | |
| | Interest income | 19 | 20,617.59 | 17,413.93 |
| | Gain on assignment of Financial Assets | 22 | - | - |
| | Fees and Commission income | 20 | 654.79 | 575.10 |
| | Net gain on fair value changes | 21 | 306.97 | 198.65 |
| | **Total Revenue from operations (1)** | | **21,579.35** | **18,187.68** |
| **(2)** | Other Income | 23 | 142.73 | 342.13 |
| **(3)** | **Total Income (1+2)** | | **21,722.08** | **18,529.81** |
| **(4)** | **Expenses** | | | |
| | Finance costs | 24 | 5,702.54 | 4,356.42 |
| | Impairment of financial instruments | 25 | 2,499.59 | 2,886.57 |
| | Employee benefits expenses | 26 | 5,664.74 | 3,695.34 |
| | Depreciation, amortization and impairment | 27 | 39.93 | 37.03 |
| | Others expenses | 28 | 2,407.74 | 1,754.75 |
| | **Total Expenses (4)** | | **16,314.54** | **12,730.10** |
| **(5)** | **Profit / (loss) before tax (3-4)** | | **5,407.54** | **5,799.71** |
| **(6)** | **Tax Expense:** | | | |
| | (1) Current tax | 29 | 1,422.80 | 1,745.20 |
| | (2) Short / (excess) provision of income tax/deferred tax of earlier years | 29 | 15.37 | - |
| | (3) Deferred tax | 29 | (91.53) | (262.45) |
| **(7)** | **Profit/(loss) for the period (5-6)** | | **4,060.89** | **4,316.96** |
| **(8)** | **Other Comprehensive Income** | | | |
| | (A) (i) Items that will not be reclassified to profit or loss | | | |
| | - Remeasurement of defined benefit obligations | | 8.67 | 5.86 |
| | (ii) Income tax relating to items not to be reclassified to profit or loss | | (2.18) | (1.47) |
| | **Subtotal (A)** | | **6.49** | **4.38** |
| | (B) (i) Items that will be reclassified to profit or loss | | | |
| | - Fair valuation gain / (loss) on financial instruments measured at FVOCI | | 45.02 | (19.67) |
| | (ii) Income tax relating to items to be reclassified to profit or loss | | (11.33) | 4.95 |
| | **Subtotal (B)** | | **33.69** | **(14.72)** |
| | **Other comprehensive income (A + B)** | | **40.18** | **(10.33)** |
| **(9)** | **Total comprehensive income for the period (7+8) (Comprising profit (Loss) and other comprehensive income for the period)** | | **4,101.07** | **4,306.63** |
| **(10)** | **Earnings per equity share** | | | |
| | Basic (₹) | 30 | 38.68 | 41.17 |
| | Diluted (₹) | 30 | 38.43 | 40.84 |

See accompanying notes to the financial statements 1 to 55

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in Lakhs)

### (A) Equity share capital (Refer Note 17)

| Particulars | FY 2025-26 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2025 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2025 | Changes during the year | Balance as at March 31, 2026 |
| Ordinary equity share capital | 1,049.05 | - | 1,049.05 | 2.24 | 1,051.29 |

| Particulars | FY 2024-25 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2024 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2024 | Changes during the year | Balance as at March 31, 2025 |
| Ordinary Equity share capital | 1,047.68 | - | 1,047.68 | 1.38 | 1,049.05 |

### (B) Other equity (Refer note 18)

| Particulars | Equity component of compound financial instruments | Reserves and surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|
| | | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Share Based Payment Reserve | | |
| **FY 2025-26** | | | | | | | | |
| **Balance as at March 31, 2025** | - | **174.35** | **3,715.00** | **39,531.32** | **13,052.14** | **1,141.16** | **(82.85)** | **57,531.13** |
| **Change in accounting policy or prior period errors** | - | - | - | - | - | - | - | - |
| Restated Balance as at March 31, 2025 | - | 174.35 | 3,715.00 | 39,531.32 | 13,052.14 | 1,141.16 | (82.85) | 57,531.13 |
| Profit for the year | - | - | - | - | 4,060.89 | - | - | 4,060.89 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | 40.18 | 40.18 |
| **Total Comprehensive Income for the period** | - | - | - | - | **4,060.89** | - | **40.18** | **4,101.07** |
| **Transactions with Owners in the capacity as Owners** | | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | - | 813.00 | - | (813.00) | - | - | - |
| Additions during the year in securities premium | - | - | - | 517.56 | - | (414.40) | - | 103.15 |
| Transfer during the year in General Reserve | - | 10.00 | - | - | (10.00) | - | - | - |
| Share based payment to employees (ESOP) | - | - | - | - | - | 457.68 | - | 457.68 |
| **Balance As at March 31, 2026** | - | **184.35** | **4,528.00** | **40,048.88** | **16,290.03** | **1,184.43** | **(42.67)** | **62,193.03** |



# Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in Lakhs)

| Particulars | Equity component of compound financial instruments | Reserves and surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|
| | | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Share Based Payment Reserve | | |
| **FY 2024-25** | | | | | | | | |
| **Balance as at March 31, 2024** | - | **164.35** | **2,851.00** | **39,231.22** | **9,609.18** | **657.27** | **(72.51)** | **52,440.51** |
| **Change in accounting policy or prior period errors** | - | - | - | - | - | - | - | - |
| Restated Balance as at March 31, 2024 | - | 164.35 | 2,851.00 | 39,231.22 | 9,609.18 | 657.27 | (72.51) | 52,440.51 |
| Profit for the year | - | - | - | - | 4,316.96 | - | - | 4,316.96 |
| **Other comprehensive income (net of taxes)** | - | - | - | - | - | - | **(10.33)** | **(10.33)** |
| **Total Comprehensive Income for the period** | - | - | - | - | **4,316.96** | - | **(10.33)** | **4,306.63** |
| Transactions with Owners in the capacity as Owners | | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | - | 864.00 | - | (864.00) | - | - | - |
| Additions during the year in securities premium | - | - | - | 300.11 | - | (242.61) | - | 57.50 |
| Transfer during the year in General Reserve | - | 10.00 | - | - | (10.00) | - | - | - |
| Share based payment to employees (ESOP) | - | - | - | - | - | 726.50 | - | 726.50 |
| **Balance as at March 31, 2025** | - | **174.35** | **3,715.00** | **39,531.32** | **13,052.14** | **1,141.16** | **(82.85)** | **57,531.13** |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Standalone Cash Flow Statement

for the year ended March 31, 2026

(₹ in Lakhs)

| | Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 | |
|---|---|---|---|---|---|
| A: | **Cash from Operating Activities:** | | | | |
| | Net profit before taxation | | 5,407.54 | | 5,799.71 |
| | **Adjustment For:** | | | | |
| | Depreciation and amortisation | 39.93 | | 37.03 | |
| | Interest Income | (20,617.59) | | (17,413.93) | |
| | Finance cost Expense | 5,702.54 | | 4,356.42 | |
| | Provision for impairment on financial assets | 277.15 | | 1,071.57 | |
| | Gain On Assignment of Assets (Net of Expense) | - | | - | |
| | Loss / (Profit) on sale of Current Investment | (306.97) | | (198.65) | |
| | Remeasurement of define benefit plan | 8.67 | | 5.86 | |
| | Employee Stock Option Plan Expense | 174.07 | | 265.00 | |
| | Interest on shortfall of advance Tax | - | | - | |
| | Loss/(Profit) on Disposal of Property, Plant & Equipment | - | | (0.09) | |
| | Loss/(Profit) on Derecognition of Investment for financial guarantee | 454.00 | | 447.70 | |
| | Financial Guarantee (Income)/Reversal | (142.73) | | (342.03) | |
| | | | (14,410.93) | | (11,771.14) |
| | **Operating profit before working Capital changes:** | | **(9,003.39)** | | **(5,971.42)** |
| | **Adjustment For (Increase)/Decrease in Operating Assets:** | | | | |
| | Loans and Advances | (21,330.23) | | (15,679.58) | |
| | Financial Assets | 71.82 | | 989.83 | |
| | Non Financial Assets | (23.57) | | 20.82 | |
| | Bank balance other than Cash and Cash equivalents | (267.72) | | 82.09 | |
| | **Adjustment For Increase/(Decrease) in Operating Liabilities:** | | | | |
| | Trade Payables | 105.68 | | (16.03) | |
| | Other Non Financial liability | 41.74 | | (97.66) | |
| | Other Financial Liabilities | 81.15 | | 26.79 | |
| | Subordinated Debts | - | | (500.00) | |
| | Provision | 96.70 | | 20.72 | |
| | | | **(21,224.43)** | | **(15,153.03)** |
| | **Cash Generated From Operations** | | **(30,227.82)** | | **(21,124.45)** |
| | Interest Income Received | 20,657.48 | | 17,242.15 | |
| | Finance Cost Paid | (5,693.21) | | (4,724.04) | |
| | Income tax paid | (2,137.81) | | (1,041.37) | |
| | | | 12,826.45 | | 11,476.74 |
| | **Net Cash From Operating Activities:** | | **(17,401.36)** | | **(9,647.71)** |
| B: | **Cash Flow From Investing Activities:** | | | | |
| | Purchase of Property, Plant & Equipment | (277.87) | | (2,417.43) | |
| | Sale of Property, Plant & Equipment | - | | 0.14 | |
| | Purchase of investments | (87,360.65) | | (38,181.14) | |
| | Sale of investments | 80,531.87 | | 31,379.79 | |
| | **Net Cash from Investment Activities:** | | **(7,106.65)** | | **(9,218.64)** |



# Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2026

(₹ in Lakhs)

| | Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 | |
|---|---|---|---|---|---|
| C: | **Cash Flow From Financing Activities:** | | | | |
| | Proceeds from issue of share capital (including Premium) | 105.39 | | 58.88 | |
| | Share Issue Expenses | - | | - | |
| | Proceeds from long term borrowings | 62,840.07 | | 28,726.20 | |
| | Repayment of borrowings | (31,726.21) | | (17,426.99) | |
| | Net increase / (decrease) in working capital borrowings | 292.10 | | 1,036.94 | |
| | **Net Cash from Financing Activities:** | | **31,511.35** | | **12,395.03** |
| | **Net Increase/(Decrease) in Cash & Cash Equivalents** | | **7,003.33** | | **(6,471.33)** |
| | Cash & cash equivalents at the beginning of the year | | 480.94 | | 6,952.26 |
| | Cash & cash equivalents at the end of the year | | 7,484.27 | | 480.94 |

**Notes :**

**1 Cash and bank balance at the end of the year comprises:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Cash on hand | 255.40 | 240.79 |
| Balance with Bank | 7,228.87 | 240.15 |
| **Total** | **7,484.27** | **480.94** |

2 The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

**3 Change in liabilities arising from financing activities:**

| Particulars | March 31, 2025 | Cash Flows | Non Cash Changes | March 31, 2026 |
|---|---|---|---|---|
| Debt Securities | 13,953.58 | 30,607.54 | (276.97) | 44,284.14 |
| Borrowing other than debt Securities | 27,170.03 | 798.42 | 9.57 | 27,978.02 |
| **Total** | **41,123.61** | **31,405.96** | **(267.40)** | **72,262.17** |

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

## 1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI") and according to RBI Notification DoR.FIN.REC.No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). The Company is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") and Loan again property ("LAP") to create the underlying assets of SME, TW and mortgage. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

### 2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI")

ii) Defined benefit plans - plan assets

iii) Investments in liquid marketable debt securities

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

### 2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**i) Business model assessment**

Classification and measurement of financial assets depends on the results of business model 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 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.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**i) 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. For further details about determination of fair value refer note 3.8 and note 39.

**ii) Effective interest rate ("EIR") method**

The Company's EIR methodology, as explained in para 3.1(A), 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 lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

**iii) Impairment of financial asset**

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 gross domestic products, 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.

**iv) 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 investigations and proceedings 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 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.

For further details on provisions and other contingencies refer note 3.16.

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.

### 2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 38.

Financial assets and financial liability 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:

i) The normal course of business

ii) The event of default

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 3.1 Recognition of interest income

**A. EIR method**

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. 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 discount or premium on acquisition, 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.

**B. Interest income**

The Company 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 and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

### 3.2 Financial instrument - initial recognition

**A. Date of recognition**

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

**B. 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 (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in para 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

**C. 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) FVOCI

iii) FVTPL

### 3.3 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. 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.

**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 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 minimum 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 with in 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.

**ii) Financial assets measured at 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. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

**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.

**iv) Investment in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost.

**B. Financial liability**

**i) Initial recognition and measurement**

All financial liabilities are initially recognized at fair value. 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 method.

### 3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

### 3.5 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, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

**B. Derecognition of financial assets 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. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

**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.

### 3.6 Impairment of financial assets

**A. Overview of ECL principles**

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. 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 Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1:** When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

**Stage 3:** Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

**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.

**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

**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 loans 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.

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 loan 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.

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

**C. Loans and advances measured at FVOCI**

The ECLs for loans and advances 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 a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

### 3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. 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.

### 3.8 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 if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. 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.

**3.9 (I) Recognition of other income**

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. 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

**A. 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.

**B. Income from assignment transactions**

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

**C. Other interest income**

Other interest income is recognised on a time proportionate basis.

**D. Other Charges in Respect of Loans**

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

**3.9 (II) Recognition of other expense**

**A. Borrowing costs**

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

**3.10 Cash and cash equivalents**

Cash 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.

**3.11 Property, plant and equipment**

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years
ii) Vehicles - 8 years
iii) Office equipment - 5 years
iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. 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. PPE 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. Change the useful life of Office Equipment to 5 years to make it in line with Schedule II

**3.12 Intangible assets**

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (five years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

**3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

**3.14 Corporate guarantees**

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head other income as Income on Financial Guarantee given to banks on behalf of Subsidiary on a straight line basis over the life of the guarantee.

**3.15 Retirement and other employee benefits Defined contribution plans**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined benefit plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance Corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term 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.

### 3.16 Provisions, contingent liabilities and contingent assets

**A. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**B. Contingent liability**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

**C. Contingent asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### 3.17 Taxes

**A. Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

**B. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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 equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

**C. Goods and services tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of 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.

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.

### 3.18 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e., profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

### 3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 1 | Cash and Cash Equivalents | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Cash on hand | 255.40 | 240.79 |
| | Balance with banks | 7,228.87 | 240.15 |
| | **Total** | **7,484.27** | **480.94** |

| 2 | Other Bank Balance | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | In fixed deposit accounts: | | |
| | Deposits given as security against borrowings | 923.31 | 741.35 |
| | Fixed Deposits given as security against overdraft facilities (Refer Note 2.2) | 6,000.00 | 5,500.00 |
| | Other Deposits (i.e., free from any encumbrance) | 510.00 | 913.67 |
| | Earmarked balances with banks (Refer Note 2.1) | 2.37 | 4.32 |
| | Less: Interest Accrued but not due on Bank Deposits (Refer Note 5) | (270.25) | (261.61) |
| | **Total** | **7,165.44** | **6,897.72** |

2.1 Earmarked balance with banks represents ₹2.37 Lakhs (As at March 31, 2025 ₹4.32 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

2.2 Deposits includes deposits of ₹6000 Lakhs (P.Y. ₹5500 Lakhs) given to bank for Overdraft limits of ₹6000 Lakhs (P.Y. ₹5500 Lakhs). Overdraft limits utilized is ₹5464.51 Lakhs

| 3 | Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **At Amortised Cost:** | | |
| | Inter Corporate Deposit | | |
| | Secured by Tangible Asset | - | 2,271.26 |
| | Unsecured | 7,380.82 | 500.00 |
| | **At FVOCI:** | | |
| | Secured by Tangible Asset | 17,367.32 | 10,411.89 |
| | Unsecured Loans | 54,887.19 | 45,125.44 |
| | Total Loans | 79,635.33 | 58,308.60 |
| | Less : Impairment Loss allowance | (2,905.49) | (2,720.97) |
| | Less: Interest Due but not Received on Loans and Advances (Note No.5) | (359.40) | (315.30) |
| | | **76,370.43** | **55,272.33** |
| | **(1) Loans In India** | | |
| | Public Sector | - | - |
| | Others | 76,370.43 | 55,272.33 |
| | | **76,370.43** | **55,272.33** |
| | **(2) Loans Outside India** | - | - |
| | **Total** | **76,370.43** | **55,272.33** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Carrying amount As at March 31, 2024** | **40,754.22** | **527.97** | **1,123.90** | **42,406.09** |
| New Assets originated* | 42,208.15 | 303.16 | 272.74 | 42,784.05 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (2,145.05) | 631.05 | 1,514.00 | - |
| Transfer from stage 2 | 30.42 | (64.75) | 34.33 | - |
| Transfer from stage 3 | 2.05 | 2.85 | (4.90) | - |
| Assets derecognised or collected | 24,804.00 | 189.77 | 71.34 | 25,065.10 |
| Write - offs | 901.28 | 240.38 | 990.07 | 2,131.73 |
| **Carrying amount As at March 31, 2025** | **55,144.51** | **970.13** | **1,878.66** | **57,993.30** |
| New Assets originated* | 59,519.71 | 178.29 | 159.64 | 59,857.64 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (2,490.38) | 367.64 | 2,122.75 | - |
| Transfer from stage 2 | 13.71 | (128.23) | 114.52 | - |
| Transfer from stage 3 | 1.33 | 1.23 | (2.56) | - |
| Assets derecognised or collected | 35,569.57 | 288.30 | 141.34 | 35,999.21 |
| Write - offs | 445.62 | 544.67 | 1,585.52 | 2,575.81 |
| **Carrying amount As at March 31, 2026** | **76,173.70** | **556.08** | **2,546.14** | **79,275.93** |

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

**3.2 Reconciliation of ECL balance is given below:**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **ECL Allowances As at March 31, 2024** | **823.49** | **147.13** | **751.47** | **1,722.09** |
| Addition During the Year | 1,075.93 | 288.85 | 1,532.54 | 2,897.33 |
| Reversal During the Year | (823.95) | (148.90) | (925.60) | (1,898.45) |
| **ECL Allowances As at March 31, 2025** | **1,075.47** | **287.09** | **1,358.41** | **2,720.97** |
| Addition During the Year | 841.43 | 161.50 | 2,042.01 | 3,044.94 |
| Reversal During the Year | (1,075.47) | (287.09) | (1,497.86) | (2,860.41) |
| **ECL Allowances As at March 31, 2026** | **841.43** | **161.50** | **1,902.57** | **2,905.49** |

**Note:** Increase in ECLs of the portfolio was driven by moderate credit performance in disbursement and movements within stages. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2026, the Company has written off (net) ₹2222.44 Lakhs. The Total ECL provision of ₹2905.49 Lakhs on Loans and Advances is retained by the company as at March 31, 2026. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

3.3 Secured loans are secured by hypothecation/mortgage of assets (i.e., vehicles & immovable properties). In the opinion of the Board, the market value of the hypothecated/mortgage assets (i.e., vehicles & immovable properties) as on Balance Sheet date is more than the amount of loan outstanding.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

3.4 Refer Note 35 for Loans to Subsidiary company.

| 4 | Investments (At Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **Subsidiary** | | |
| | Investment in shares of subsidiary | 33,563.20 | 33,563.20 |
| | Liquid Investments | | |
| | - In Listed Mutual Fund Units at FVTPL | 2,126.63 | - |
| | - In Listed NCDs at Amoristed Cost | 5,009.14 | - |
| | Investment in subsidiary on account of: | | |
| | - Corporate financial guarantee given to bank on behalf of subsidiary | 135.00 | 589.00 |
| | - Issuance of equity shares to the employees of subsidiary at discount | 1,257.62 | 974.01 |
| | | 42,091.58 | 35,126.21 |
| | | **42,091.58** | **35,126.21** |
| | **(1) Investment In India** | - | - |
| | **(2) Investment outside India** | 42,091.58 | 35,126.21 |
| | **Total** | **42,091.58** | **35,126.21** |

**4.1** As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

**4.2** Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 5,28,60,000 (As at 31.03.2025, 5,28,60,000) Equity Shares of ₹10/- each fully paid up.

| 5 | Other Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Interest Due but not Received on Loans and Advances (Note No.3) | 359.40 | 315.30 |
| | Interest Accrued but not due on Bank Deposits (Note No.2) | 270.25 | 261.61 |
| | Deposits | 14.76 | 12.27 |
| | Insurance Claim Receivable | - | 90.09 |
| | Other Advances | 16.50 | 0.72 |
| | Less: Provision on Interest Receivable on Credit Impaired Loans and Advances | (323.93) | (231.31) |
| | **Total** | **336.98** | **448.68** |

| 5.1 | Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below: | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **ECL Allowances As at beginning of the year** | **231.31** | **158.61** |
| | Addition During the Year | 319.51 | 228.45 |
| | Reversal During the Year | (226.89) | (155.75) |
| | **ECL Allowances As at end of the year** | **323.93** | **231.31** |

**5.2** There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 6 | Current Tax (Net) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Advance Tax and TDS | 3,224.56 | 2,151.43 |
| | Less: Provision for Tax | (3,173.77) | (2,800.27) |
| | | | |
| | **Total** | **50.79** | **(648.84)** |

| 7 | Deferred Tax | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| A | **Deferred Tax Assets on Account of:** | | |
| | Provision for employee benefits that are allowable for tax purpose in the year of payment | 50.88 | 26.55 |
| | Shares issue expenses that are allowable for tax purpose on deferred basis | 1.19 | 2.37 |
| | Impairment on Financial Assets | 743.03 | 630.91 |
| | Amortisation of Processing Fees Income | 151.16 | 105.70 |
| | Fair valuation of financial instruments through Other Comprehensive Income | 11.13 | 22.46 |
| | **Total Deferred Tax Assets** | **957.39** | **787.99** |
| B | **Deferred Tax Liability on Account of:** | | |
| | Deferred in written down value as per Companies Act and Income Tax Act | (5.62) | (6.52) |
| | Financial liabilities measured at amortised cost | (113.72) | (46.42) |
| | Direct Assignment Income Receivable -DA | - | - |
| | Fair valuation of Units of Mutual Fund Through P&L | (1.67) | |
| | Interest on NPA Receivable | (81.53) | (58.22) |
| | **Total Deferred Tax Liabilities** | **(202.54)** | **(111.16)** |
| | **Total Asset/(Liability) (Net)** | **754.85** | **676.83** |

**7.1** The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

| Particulars | As at March 31, 2025 | (Charged)/ credited to Other Equity | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Provision for employee benefits that are allowable for tax purpose in the year of payment | 26.55 | - | 26.52 | (2.18) | 50.88 |
| Shares issue expenses that are allowable for tax purpose on deferred basis | 2.37 | - | (1.19) | - | 1.19 |
| Impairment on Financial Assets | 630.91 | - | 112.12 | - | 743.03 |
| Amortisation of Processing Fees Income | 105.70 | - | 45.46 | - | 151.16 |
| Fair valuation of financial instruments through Other Comprehensive Income | 22.46 | - | - | (11.33) | 11.13 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | As at March 31, 2025 | (Charged)/ credited to Other Equity | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|---|
| **Liabilities** | | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (6.52) | - | 0.89 | - | (5.62) |
| Financial liabilities measured at amortised cost | (46.42) | - | (67.30) | - | (113.72) |
| Direct Assignment Income Receivable -DA | - | - | - | - | - |
| Fair valuation of Units of Mutual Fund Through P&L | - | - | (1.67) | - | (1.67) |
| Interest Receivable on NPA Assets | (58.22) | - | (23.31) | - | (81.53) |
| **Total Asset/(Liability) (Net)** | **676.83** | **-** | **91.53** | **(13.51)** | **754.85** |

| Particulars | As at March 31, 2025 | (Charged)/ credited to Other Equity | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Provision for employee benefits that are allowable for tax purpose in the year of payment | 21.33 | - | 6.69 | (1.47) | 26.55 |
| Shares issue expenses that are allowable for tax purpose on deferred basis | 3.56 | - | (1.19) | - | 2.37 |
| Impairment on Financial Assets | 416.25 | - | 214.66 | - | 630.91 |
| Amortisation of Processing Fees Income | 101.19 | - | 4.51 | - | 105.70 |
| Fair valuation of financial instruments through Other Comprehensive Income | 17.51 | - | - | 4.95 | 22.46 |
| | | | | | |
| **Liabilities** | | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (5.79) | - | (0.73) | - | (6.52) |
| Financial liabilities measured at amortised cost | (93.52) | - | 47.10 | - | (46.42) |
| Direct Assignment Income Receivable -DA | (9.70) | - | 9.70 | - | - |
| Interest Receivable on NPA Assets | (39.92) | - | (18.30) | - | (58.22) |
| **Total Asset/(Liability) (Net)** | **410.91** | **-** | **262.45** | **3.48** | **676.83** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**8 Property, Plant & Equipment**

| Gross Carrying Value | Buildings | Furniture & Fixtures | Office Equipments | Vehicles | Computers | Land | Total Property, Plant & Equipment | Intangible Assets | Total Assets |
|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2024** | **52.23** | **56.46** | **19.76** | **86.05** | **41.64** | **-** | **256.13** | **15.57** | **271.70** |
| Addition | - | 11.18 | 12.63 | - | 18.89 | 2,350.64 | 2,393.34 | 4.65 | 2,398.00 |
| Disposal | - | - | 0.88 | - | - | - | 0.88 | - | 0.88 |
| Other Adjustment | - | - | - | 0.19 | - | - | 0.19 | - | 0.19 |
| **At March 31, 2025** | **52.23** | **67.64** | **31.51** | **85.86** | **60.53** | **2,350.64** | **2,648.41** | **20.22** | **2,668.63** |
| Addition | - | 15.04 | 6.04 | - | 20.26 | - | 41.35 | - | 41.35 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - |
| **At March 31, 2026** | **52.23** | **82.68** | **37.56** | **85.86** | **80.79** | **2,350.64** | **2,689.76** | **20.22** | **2,709.98** |

| Accumulated Depreciation | Buildings | Furniture & Fixtures | Office Equipments | Vehicles | Computers | Land | Total Property, Plant & Equipment | Intangible Assets | Total Assets |
|---|---|---|---|---|---|---|---|---|---|
| **As At March 31, 2024** | **20.14** | **34.29** | **14.01** | **2.22** | **12.91** | **-** | **83.57** | **8.65** | **92.22** |
| Change for the year | 0.83 | 4.36 | 5.80 | 10.17 | 13.86 | - | 35.01 | 2.01 | 37.03 |
| Disposal | - | - | 0.83 | - | - | - | 0.83 | - | 0.83 |
| **As At March 31, 2025** | **20.97** | **38.65** | **18.98** | **12.39** | **26.76** | **-** | **117.75** | **10.66** | **128.41** |
| Change for the year | 0.83 | 4.69 | 3.59 | 10.16 | 18.35 | - | 37.62 | 2.31 | 39.93 |
| Disposal | - | - | - | - | - | - | - | - | - |
| As at March 31, 2026 | 21.79 | 43.34 | 22.57 | 22.55 | 45.11 | - | 155.37 | 12.97 | 168.34 |
| **Net Carrying Value** | | | | | | | | | |
| **As At March 31, 2025** | **31.26** | **28.99** | **12.53** | **73.47** | **33.77** | **2,350.64** | **2,530.66** | **9.56** | **2,540.22** |
| **As at March 31, 2026** | **30.43** | **39.34** | **14.99** | **63.31** | **35.67** | **2,350.64** | **2,534.39** | **7.25** | **2,541.64** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**8.1**

**A Capital Working in Progress aging schedule :**

| Capital Working in Progress | March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | 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 | 256.14 | - | - | - | 256.14 |
| Projects temporarily suspended | - | - | - | - | - |

| Capital Working in Progress | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | 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 | 19.62 | - | - | - | 19.62 |
| Projects temporarily suspended | - | - | - | - | - |

**B For Capital Working in Progress, whose completion is overdue or has exceeded its cost compared to its original plan :**

| Capital Working in Progress | March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

**For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :**

| Capital Working in Progress | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

**(a) Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹Nil (PY. ₹Nil).

**(b) Contractual Obligations:** Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

**(c)** Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

**(d)** No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 9 | Other Non - Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Prepaid Expenses | 27.02 | 26.13 |
| | Balance with Government Authorities | 88.09 | 76.14 |
| | Advances to staff | 12.48 | 6.19 |
| | Advance to Suppliers | 46.21 | 41.78 |
| | **Total** | **173.80** | **150.23** |

| 10 | Trade Payables | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Total outstanding dues of micro enterprises and small enterprises | - | - |
| | Total outstanding dues of other than micro enterprises and small enterprises | 127.73 | 22.05 |
| | **Total** | **127.73** | **22.05** |

**10.1 Trade Payable ageing schedule:**

| As on March 31, 2026 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | - | - | - | 127.73 |
| Outstanding between 1 year to 2 Years | - | - | - | - |
| Outstanding between 2 year to 3 Years | - | - | - | - |
| Outstanding More than 3 Years | - | - | - | - |

| As on March 31, 2025 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | - | - | - | 22.05 |
| Outstanding between 1 year to 2 Years | - | - | - | - |
| Outstanding between 2 year to 3 Years | - | - | - | - |
| Outstanding More than 3 Years | - | - | - | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**10.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:**

| Sr No | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 1 | Principal amount payable to suppliers as at year end | - | - |
| 2 | Interest due thereon as at year end | - | - |
| 3 | Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates. | - | - |
| 4 | Amount of delayed payment actually made to suppliers during the year | - | - |
| 5 | 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 MSMED Act, 2006 | - | - |
| 6 | Interest accrued and remaining unpaid at the end of the year | - | - |
| 7 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006. | - | - |

**11**

| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Secured Debenture (Refer note 11.1)** | | |
| 11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. Nil Unit, P.Y. 2,88,750 Unit) | - | 2,887.50 |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 |
| 11.40% Secured, Redeemable, Non Convertible Debenture of ₹100000 Each (C.Y. 4,000 Unit, P.Y. Nil Unit) | 3,000.04 | - |
| 10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. Nil Unit, P.Y. 4,980) | - | 4,980.00 |
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - |
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - |
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 75,000 Unit, P.Y. Nil) | 7,500.00 | - |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**11**

| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - |
| 10.90% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - |
| 8.82% Secured, Redeemable, Non Convertible Debenture of ₹Nil Lakh Each (P.Y. ₹0.25 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit) | - | 1,225.00 |
| | | |
| Less: Unamortised borrowing costs | (389.00) | (112.02) |
| **Total Debt Securities** | **44,284.14** | **13,953.58** |
| | | |
| Debt Securities in India | 44,284.14 | 13,953.58 |
| Debt Securities Outside India | - | - |
| **Total** | **44,284.14** | **13,953.58** |

**11.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:**

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| 11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit) | - | 2,887.50 | 99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022 | Secured Under Hypothecation of Specific Assets Portfolio |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 | 99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit) | 2,486.55 | 2,486.55 | 99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| 10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil) | - | 4,980.00 | 100% on 25-01-2026 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.40% Secured, Redeemable, Non Convertible Debenture of ₹100000 Each (C.Y. 4,000 Unit, P.Y. Nil Unit) | 3,000.04 | - | Repayable in 12 quarterly installments starting from 05-09-2025 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - | 100% on 01-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| 11.10% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 2,100 Unit, P.Y. Nil) | 2,100.00 | - | 100% on 01-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 75,000 Unit, P.Y. Nil) | 7,500.00 | - | 100% on 05-12-2027 | Secured Under Hypothecation of Specific Assets Portfolio |
| 11.35% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - | 30% Repayable on 29-01-2028, Next 30% Repayable on 29-04-2028 and Remaining 40% on 29-07-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 10.90% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (C.Y. 125,000 Unit, P.Y. Nil) | 12,500.00 | - | 30% Repayable on 25-03-2028, Next 30% Repayable on 25-06-2028 and Remaining 40% on 25-09-2028 | Secured Under Hypothecation of Specific Assets Portfolio |
| 8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit) | - | 1,225.00 | Repayable in 8 quarterly installments starting from 19-10-2023 | Secured Under Hypothecation of Specific Assets Portfolio |
| **Total Debt Securities** | **44,673.14** | **14,065.60** | | |

| 12 Borrowings (at Amortized Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Term Loans** | | |
| **Secured** | | |
| From Banks | **3,469.91** | **4,108.80** |
| From Financial Institutions | **19,106.47** | **15,103.79** |
| Overdraft from banks - Secured against Fixed Deposit | 5,464.51 | 5,172.41 |
| | | |
| **Loans from Related Parties** | **-** | **2,857.48** |
| Inter Corporate Deposits - Unsecured | | |
| | | |
| Less: Unamortised borrowing costs | (62.86) | (72.43) |
| **Total Borrowings** | **27,978.02** | **27,170.03** |
| | - | - |
| Borrowings in India | 27,978.02 | 27,170.03 |
| Borrowings Outside India | - | - |
| **Total** | **27,978.02** | **27,170.03** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**12.1 Security:**

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". And refer note 35 for Loans from related parties.

**12.2 Interest:**

Term loans, ICDs and Loans repayable on demand from banks carries an interest rate ranging from 9.85% to 13.70% p.a.

**12.3** The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

**12.4:** Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| **Borrowings (Other than Debt Securities)** | | | | |
| Term Loan From Bank-1 | 296.30 | 1,185.19 | Repayable in 27 monthly installments starting from 30 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank-2 | 1,111.11 | 2,000.00 | Repayable in 27 monthly installments starting from 21 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank-3 | 62.50 | 812.50 | Repayable in 24 monthly installments starting from 05 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank-4 | 2,000.00 | - | Repayable in 24 monthly installments starting from 31 January 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Bank-5 | - | 111.11 | Repayable in 24 monthly installments starting from 07 June 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Total Borrowings From Banks | 3,469.91 | 4,108.80 | | |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| **Loans repayable on demand from banks** | | | | |
| Over Draft Facility From Bank 1 | 2,730.70 | 2,841.29 | - | Secured by a first and exclusive charge Bank Deposits |
| Over Draft Facility From Bank 2 | 2,733.80 | 2,331.11 | - | Secured by a first and exclusive charge Bank Deposits |
| Total Loans repayable on demand from banks | 5,464.51 | 5,172.41 | | |
| **Borrowings (Other than Debt Securities) from financial institution** | | | | |
| Term Loan From Financial Institution 2 | - | 9.72 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 3 | - | 4.17 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 4 | - | 9.72 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 5 | - | 4.17 | Repayable in 36 monthly installments starting from 31 March 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 8 | - | 37.50 | Repayable in 24 monthly installments starting from 28 December 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 9 | - | 452.80 | Repayable in 36 monthly installments starting from 31 December 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 11 | - | 320.83 | Repayable in 24 monthly installments starting from 01 July 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution 12 | 361.11 | 694.44 | Repayable in 36 monthly installments starting from 30 April 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 13 | 208.33 | 708.33 | Repayable in 24 monthly installments starting from 30 July 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 14 | 444.02 | 924.95 | Repayable in 24 monthly installments starting from 10 December 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 15 | 1,145.83 | 2,395.83 | Repayable in 24 monthly installments starting from 31 January 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 16 | 729.39 | 1,444.22 | Repayable in 24 monthly installments starting from 10 February 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 17 | 1,750.00 | - | Repayable in 24 monthly installments starting from 30 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 18 | 2,523.01 | - | Repayable in 24 monthly installments starting from 01 July 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 19 | 2,000.00 | - | Repayable in 27 monthly installments starting from 30 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 20 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution 21 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 22 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 23 | 416.67 | - | Repayable in 36 monthly installments starting from 01 October 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 24 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 25 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 26 | 458.33 | - | Repayable in 36 monthly installments starting from 31 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 27 | 750.00 | - | Repayable in 36 monthly installments starting from 26 June 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 28 | 875.00 | - | Repayable in 24 monthly installments starting from 24 December 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| PTC with Financial Institution 29 | 2,125.69 | - | Repayable in 20 monthly installments starting from 30 June 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| PTC with Financial Institution 30 | 2,001.48 | 5,205.72 | Repayable in 21 monthly installments starting from 25 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 31 | 454.48 | 1,363.60 | Repayable in 36 monthly installments starting from 27 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 32 | 502.00 | 1,000.00 | Repayable in 24 monthly installments starting from 28 March 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 33 | 97.22 | 263.89 | Repayable in 36 monthly installments starting from 30 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution 34 | 97.22 | 263.89 | Repayable in 36 monthly installments starting from 30 September 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| **Total Borrowings From Financial Institution** | **19,106.47** | **15,103.79** | | |

| 13 | Subordinated Liabilities (At Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **Unsecured:** | | |
| | 15%, Unsecured Subordinated Term Loan in India | - | - |
| | Unsecured Subordinated Debt outside India | - | - |
| | **Total** | - | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 14 | Other Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Interest accrued but not due on Borrowings | 778.03 | 501.30 |
| | Payable to Employees | 66.34 | 42.97 |
| | Advance Receipts received from Borrowers | 27.15 | 28.06 |
| | Insurance Payable | 172.19 | 122.07 |
| | CSR expenses payable | 14.10 | 43.72 |
| | Other Expenses Payable | 177.07 | 95.58 |
| | Unpaid dividend | 2.37 | 4.32 |
| | Payable toward assignment and transactions | 3.78 | 45.12 |
| | **Total** | **1,241.03** | **883.14** |

**14.1** Unpaid dividend outstanding as on March 31, 2026 is not due for transfer to investor education and protection fund by the Company..

| 15 | Provisions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Provisions for employee benefits - Gratuity | 202.18 | 105.48 |
| | **Total** | **202.18** | **105.48** |

| 16 | Other Non Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Other statutory dues | 49.31 | 32.60 |
| | TDS payable | 88.80 | 63.76 |
| | Financial Guarantee (Liability) | 10.38 | 153.10 |
| | **Total** | **148.48** | **249.47** |

| 17 | Equity Share Capital | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| | **Authorized Shares** | | | |
| | 1,40,00,000 | Equity Shares of (As at March 31, 2025: 14000000 Equity Shares) of ₹10/- each fully paid up (Ordinary) | 1,400.00 | 1,400.00 |
| | **Total** | | **1,400.00** | **1,400.00** |
| | **Issued, subscribed and fully paid-up shares:** | | | |
| | 1,04,90,538 | Equity Shares of (As at March 31, 2025: 10490538 Equity Shares) of ₹10/- each fully paid up (Ordinary) | 1,051.29 | 1,049.05 |
| | **Total** | | **1,051.29** | **1,049.05** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2026 & March 31, 2025 is set out below:**

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of Shares | (₹) | No. of Shares | (₹) |
| **Ordinary Equity Shares:** | | | | |
| Outstanding at the beginning of the year | 1,04,90,538 | 1,049.05 | 1,04,76,774 | 1,047.68 |
| Issued during the year | 22,383 | 2.24 | 13,764 | 1.38 |
| **Outstanding at the end of the year** | **1,05,12,921** | **1,051.29** | **1,04,90,538** | **1,049.05** |

**17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:**

| Class of shares / Name of shareholder | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Elevation Capital V Limited | 8,78,607 | 8.38% | 11,43,789 | 10.90% |
| Namra Holdings & Consultancy Services LLP | 9,48,308 | 9.04% | 9,48,308 | 9.04% |

**17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows:**

| Promotor Name | As at March 31, 2026 | | As at March 31, 2025 | | % Change during the Year |
|---|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares | |
| Jayendrabhai Patel | 4,27,937 | 4.07% | 4,27,937 | 4.08% | -0.01% |
| Jayendrabhai Patel HUF | 1,96,000 | 1.86% | 1,96,000 | 1.87% | 0.00% |
| Amit Rajnikant Mankiwala | 9,700 | 0.09% | 10,000 | 0.10% | 0.00% |
| Ritaben Patel | 4,36,089 | 4.15% | 4,36,089 | 4.16% | -0.01% |
| Himani Amit Mankiwala | 4,834 | 0.05% | 6,238 | 0.06% | -0.01% |
| Aalok Jayendrabhai Patel | 2,47,809 | 2.36% | 2,47,809 | 2.36% | -0.01% |
| Maulik Amit Mankiwala | 800 | 0.01% | 800 | 0.01% | 0.00% |
| Sajni Aalok Patel | 41,316 | 0.39% | 41,316 | 0.39% | 0.00% |
| Namra Holdings and Consultancy Services LLP | 9,48,308 | 9.02% | 9,48,308 | 9.04% | -0.02% |

**17.4 Shares reserved for issue under options**

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 41.

**17.5 Terms / rights attached to equity shares**

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**18 Other Equity (Refer Note 18.1)**

| Other Equity (Refer Note 18.1) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **A. Reserves and Surplus** | | |
| **i. General Reserve** | | |
| Balance as per last financial statement | 174.35 | 164.35 |
| Add: Transfer from statement of profit and loss | 10.00 | 10.00 |
| **Closing Balance** | **184.35** | **174.35** |
| **ii. Special Reserve u/s 45-IC of the RBI Act,1934** | | |
| Balance as per last financial statement | 3,715.00 | 2,851.00 |
| Add: Transfer from statement of profit and loss | 813.00 | 864.00 |
| **Closing Balance** | **4,528.00** | **3,715.00** |
| **iii. Securities Premium** | | |
| Balance as per last financial statement | 39,531.32 | 39,231.22 |
| Add: Share Premium on shares issued during the year | 517.56 | 300.11 |
| Less: Share Issue Expenses | - | - |
| **Closing Balance** | **40,048.88** | **39,531.32** |
| **iv. Share Based Payment Reserve** | | |
| Balance as per last financial statements | 1,141.16 | 657.27 |
| Add/(Less): Stock option expenditure for employees of company | 204.87 | 361.97 |
| Add/(Less): Stock option expenditure for employees of subsidiary (Net) | 283.61 | 461.49 |
| Less: amount transferred towards option expired unexercised | 30.80 | 96.97 |
| Less: Reversal of ESOP reserve on exercised option of stock option | 414.40 | 242.61 |
| **Closing Balance** | **1,184.43** | **1,141.16** |
| **v. Surplus in the Statement of Profit and Loss** | | |
| Balance as per last financial statement | 13,052.14 | 9,609.18 |
| Add: Profit for the year | 4,060.89 | 4,316.96 |
| Less: Appropriations | | |
| Amount transfer to General Reserve | (10.00) | (10.00) |
| Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934 | (813.00) | (864.00) |
| **Closing Balance** | **16,290.03** | **13,052.14** |
| **B. Other Comprehensive Income** | | |
| Balance as per last financial statement | (82.85) | (72.51) |
| Additions during the year | 40.18 | (10.33) |
| **Closing Balance** | **(42.67)** | **(82.85)** |
| **Total** | **62,193.03** | **57,531.13** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**18.1 Nature and Purpose of Reserve**

**1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):**

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

**2 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 Act

**3 Surplus in the statement of profit and loss:**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

**4 FVOCI - loans and advances:**

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

**5 FVOCI - Remeasurement of the defined benefit liabilities:**

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any

**6 General reserve:**

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

**7 Share Based Payment Reserve:**

The Stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

**19 Interest Income**

| Particulars | Year Ended March 31, 2026 | | Year Ended March 31, 2025 | |
|---|---|---|---|---|
| | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost |
| Interest income based on effective interest method | 19,527.44 | - | 16,815.89 | - |
| Interests on Deposits as Security | - | 489.95 | - | 475.56 |
| Interests on Others | - | 600.20 | - | 122.48 |
| **Total** | **19,527.44** | **1,090.15** | **16,815.89** | **598.04** |
| **Total Interest** | | **20,617.59** | | **17,413.93** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**20 Fees and Commission Income**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Loan Processing fees Income | 516.29 | 489.72 |
| Other Fees and Charges | 138.50 | 85.37 |
| **Total** | **654.79** | **575.10** |

**21 Net Gain on Fair Value Changes**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Profit on Sale of Current Investment | 300.35 | 198.65 |
| Gain/ (Loss) on Fair Value of Mutual Funds | 6.63 | - |
| **Total** | **306.97** | **198.65** |

**22 Gain On Assignment of Financial Assets**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Gain On Assignment of Assets (Net of Expense) | - | - |
| **Total** | **-** | **-** |

**23 Other Income**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Income on Financial Guarantee given to banks on behalf of Subsidiary | 142.73 | 342.03 |
| Profit on Disposal of Property, Plant & Equipment | - | 0.09 |
| **Total** | **142.73** | **342.13** |

**24 Finance Costs**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Interest on Borrowings | 2,663.18 | 1,367.32 |
| Interest on Debt Securities | 2,367.59 | 1,830.75 |
| Interest on Subordinated Liabilities | - | 19.08 |
| Other interest expense | 446.33 | 716.90 |
| Other Borrowing Costs | 225.44 | 422.36 |
| **Total** | **5,702.54** | **4,356.42** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**25 Impairment of financial instruments**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Bad debts written off & (Recovery) | 2,222.44 | 1,815.00 |
| Expected Credit Loss Provision (Net): | | |
| On Financial assets measured at FVOCI | 288.15 | 1,057.57 |
| On Financial assets measured at Amortised Cost | (11.00) | 14.00 |
| **Total** | **2,499.59** | **2,886.57** |

**25.1** Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

**26 Employee Benefit Expenses**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Salaries and wages | 5,036.09 | 3,178.10 |
| Share Based Payment | 174.07 | 265.00 |
| Contribution to provident and other funds | 263.27 | 181.73 |
| Gratuity | 110.55 | 30.05 |
| Staff welfare expenses | 80.75 | 40.45 |
| **Total** | **5,664.74** | **3,695.34** |

**26.1 Employee Benefit Plan:**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

**a) Defined contribution plan:**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund and employee state insurance aggregating ₹263.27 Lakhs (Year ended March 31, 2025: ₹181.73 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

**b) Defined benefit plan:**

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

| I) | **Reconciliation of opening and closing balances of defined benefit obligation** | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | **Transfer in/(out) obligation** | 105.49 | 84.77 |
| | Current service cost | - | - |
| | Interest cost | 36.90 | 24.88 |
| | Components of actuarial gain/losses on obligations: | 6.96 | 5.17 |
| | Due to Change in financial assumptions | | |
| | Due to change in demographic assumption | (2.67) | 2.87 |
| | Due to experience adjustments | - | - |
| | Past service cost | (6.00) | (8.72) |
| | Loss (gain) on curtailments | 66.69 | - |
| | Liabilities extinguished on settlements | - | - |
| | Liabilities assumed in an amalgamation in the nature of purchase | - | - |
| | Exchange differences on foreign plans | - | - |
| | Benefits paid | - | - |
| | Closing Defined Benefit Obligation | (5.18) | (3.48) |
| | **Closing Defined Benefit Obligation** | **202.19** | **105.49** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| II) | **Reconciliation of plan assets** | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Opening value of plan assets | 0.01 | 0.01 |
| | Transfer in/(out) plan assets | - | - |
| | Expense deducted from the fund | - | - |
| | Interest Income | 0.00 | 0.00 |
| | Return on plan assets excluding amounts included in interest income | - | - |
| | Assets Distributed on settlements | - | - |
| | Contribution by the company | - | - |
| | Assets acquired in an amalgamation in the nature of purchase | - | - |
| | Exchange difference on foreign plans | - | - |
| | Benefits paid | - | - |
| | **Fair value of plan assets at the end of the year** | **0.01** | **0.01** |

| III) | **Reconciliation of net defined benefit liability** | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Net opening provision in books of accounts | 105.48 | 84.76 |
| | Transfer in/(out) obligation | - | - |
| | Transfer (in)/out plan assets | - | - |
| | Employee Benefit Expense as per note 26 | 110.55 | 30.05 |
| | Amounts recognized in Other Comprehensive Income | (8.67) | (5.86) |
| | **Total** | **207.36** | **108.95** |
| | Benefits paid by the Company | (5.18) | (3.48) |
| | Contributions to plan assets | - | - |
| | **Closing provision in books of accounts** | **202.18** | **105.48** |

| IV) | **Composition of plan assets** | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Government of India Securities | 0.00% | 0.00% |
| | High quality corporate bonds | 0.00% | 0.00% |
| | Equity shares of listed companies | 0.00% | 0.00% |
| | Property | 0.00% | 0.00% |
| | Policy of Insurance | 100.00% | 100.00% |
| | **Total** | **100.00%** | **100.00%** |

| V) | **Expense recognised during the year** | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| | Current service cost | 36.90 | 24.88 |
| | Interest cost | 6.96 | 5.17 |
| | Past service cost | 66.69 | - |
| | **Expense recognised in the statement of profit and loss** | **110.55** | **30.05** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| VI) Other comprehensive income | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Components of actuarial gains/losses on obligations: | | |
| Due to change in financial assumptions | (2.67) | 2.87 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (6.00) | (8.72) |
| Return of plan assets excluding amounts included in interest income | - | - |
| **Components of defined benefits cost/(income) recognised in other comprehensive income** | **(8.67)** | **(5.86)** |

| VII) Principal actuarial assumptions | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Discount rate (per annum) | 6.90% | 6.60% |
| Rate of return on plan assets (per annum) | 7.36% | 7.36% |
| Annual increase in salary cost | 6.00% | 6.00% |
| **Withdrawal rates per annum** | | |
| 25 and below | 25% | 25% |
| 26 to 35 | 25% | 25% |
| 36 to 45 | 20% | 20% |
| 46 to 55 | 10% | 10% |
| 56 and above | 5% | 5% |

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

**VIII) Sensitivity analysis**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

| Particulars | For the year ended March 31, 2026 | | For the year ended March 31, 2025 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / +0.5%) | 207.05 | 197.58 | 108.24 | 102.88 |
| (% change compared to base due to sensitivity) | 2.40% | -2.28% | 2.61% | -2.48% |
| Salary growth rate (- / + 0.5%) | 197.71 | 206.85 | 102.89 | 108.22 |
| (% change compared to base due to sensitivity) | -2.22% | 2.30% | -2.46% | 2.58% |
| Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%) | 205.46 | 199.03 | 107.69 | 103.39 |
| (% change compared to base due to sensitivity ) | 1.62% | -1.57% | 2.09% | -1.99% |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**IX) Asset liability matching strategies**

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

**X) Effect of plan on the company's future cash flows**

**a) Funding arrangements and funding policy**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**b) Maturity analysis of defined benefit obligation**

The Weighted Average Duration (Years) as at valuation date is 4.76 years.

| Years | Cash flows (₹Lakhs) | Distributions (%) |
|---|---|---|
| 1st Following year | 48.85 | 16.20% |
| 2nd Following year | 22.40 | 7.40% |
| 3rd Following year | 21.89 | 7.30% |
| 4th Following year | 23.59 | 7.80% |
| 5th Following year | 27.34 | 9.10% |
| Sum of years 6 to 10 | 81.10 | 26.90% |

The future accrual is not considered in arriving at the above cash-flows.

**XI)** The expected contribution for the next year is ₹53.86 Lakhs

## 27 Depreciation and Amortisation

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Depreciation of Property, Plant & Equipment | 37.62 | 35.01 |
| Amortisation of Intangible Asset | 2.31 | 2.01 |
| **Total** | **39.93** | **37.03** |

## 28 Other Expenses

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Electricity & fuel charges | 32.47 | 24.03 |
| Repairs to Building | 9.51 | 10.17 |
| Insurance | 130.23 | 17.43 |
| Collection Expense | 65.85 | 83.40 |
| Rent (Refer Note 33) | 221.49 | 158.43 |
| Rates & taxes | 25.14 | 19.96 |
| Bank Charges | 45.38 | 42.99 |
| Stationery & printing | 38.54 | 38.43 |
| Advertisement expenses | 0.54 | 0.71 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Communication | 19.33 | 15.96 |
| Traveling & conveyance expenses | 501.73 | 375.02 |
| Professional fees | 448.53 | 231.58 |
| Loss/(Profit) on Derecognition of Investment for financial guarantee | 454.00 | 447.70 |
| **Auditor's Remuneration*** | | |
| Audit fees | 12.44 | 11.17 |
| For Others | 3.76 | 0.64 |
| For Certification | 0.65 | 0.43 |
| | 16.85 | 12.24 |
| Corporate social responsibility expenditure (Refer Note 32) | 93.75 | 66.58 |
| Director sitting fees | 8.36 | 7.49 |
| Marketing & incentive expenses | 175.64 | 100.04 |
| General charges (including security charges & membership fees etc.) | 120.41 | 102.59 |
| **Total** | **2,407.74** | **1,754.75** |

## 29 Tax Expenses

**The Components of income tax expense for the Year ended March 31, 2026 and Year ended March 31, 2025 are:**

| | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Current Tax | 1,422.80 | 1,745.20 |
| Adjustment in respect of current tax of prior years | 15.37 | - |
| Deferred tax | (91.53) | (262.45) |
| **Total Tax Expense** | **1,346.65** | **1,482.75** |
| Total tax charge | | |
| Current Tax | 1,438.17 | 1,745.20 |
| Deferred Tax | (91.53) | (262.45) |

### 29.1 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 March 31, 2026 and Year ended March 31, 2025 is, as follows:

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Accounting profit before tax expense | 5,407.54 | 5,799.71 |
| Income tax rate % | 25.17% | 25.17% |
| **Computed tax expense** | **1,360.97** | **1,459.67** |
| **Tax effect of:** | | |
| Exempted Items | 55.03 | 8.30 |
| Additional deduction | (773.68) | (593.39) |
| Non Deductible items | 711.82 | 591.94 |
| Adjustment on Account of Change in Tax Rate | 0.56 | (0.71) |
| Others | (8.06) | 16.93 |
| **Tax expense Recognised in the Statement of Profit and Loss** | **1,346.65** | **1,482.75** |
| Difference | - | - |
| Effective Tax Rate | 24.90% | 25.57% |



Notes Forming Part of the Standalone Financial Statements
for the year ended March 31, 2026. (All Amounts are ₹ in Lakhs, unless otherwise stated)

## 30 Earning Per Share:

| Particulars | | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| **Numerator used for calculating Basic Earning per share (PAT)** | In ₹ | **4,060.89** | **4,316.96** |
| Dilutive impact of Employee Share Options Scheme | In ₹ | - | - |
| Dilutive impact of Compulsorily Convertible Debentures | In ₹ | - | - |
| Dilutive impact of Optionally Convertible Redeemable Preference Shares | In ₹ | - | - |
| **Numerator used for calculating Diluted Earning per share (PAT)** | In ₹ | 4,060.89 | 4,316.96 |
| **Weighted average no. of shares used as denominator for calculating basic earnings per share** | Shares | 1,04,99,603 | 1,04,84,781 |
| **Effect of dilution:** | | | |
| Dilutive impact of Employee Share Options Scheme | Shares | 66,819 | 86,578 |
| Dilutive impact of Compulsorily Convertible Debentures | Shares | - | - |
| Dilutive impact of Optionally Convertible Redeemable Preference Shares | Shares | - | - |
| **Weighted average no. of shares used as denominator for calculating diluted earnings per share** | Shares | **1,05,66,421** | **1,05,71,359** |
| Nominal value per Share | In ₹ | 10.00 | 10.00 |
| Basic earnings per share | In ₹ | 38.68 | 41.17 |
| Diluted earnings per share | In ₹ | 38.43 | 40.84 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**30.1** Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

(₹ In Lakhs)

| Ratio | Capital to risk-weighted assets ratio (CRAR) | Tier I CRAR | Tier II CRAR | Liquidity Coverage Ratio |
|---|---|---|---|---|
| Numerator | Tier 1 & 2 Capital | Tier 1 Capital | Tier 2 Capital | Highly Liquid Assets |
| Denominator | Risk weighted Assets | Risk weighted Assets | Risk weighted Assets | Total net cash outflows over the next 30 days |
| **Year ended March 31, 2026** | | | | |
| Numerator | 26,236.35 | 26,041.02 | 195.33 | 14,595.16 |
| Denominator | 94,181.39 | 94,181.39 | 94,181.39 | 6,088.94 |
| **Ratio** | **27.86%** | **27.65%** | **0.21%** | **239.70%** |
| **Year ended March 31, 2025** | | | | |
| Numerator | 29,142.31 | 28,556.96 | 585.35 | 1,722.20 |
| Denominator | 78,046.08 | 78,046.08 | 78,046.08 | 694.98 |
| **Ratio** | **37.34%** | **36.59%** | **0.75%** | **247.80%** |
| % Variance | -9.48% | -8.94% | -0.54% | -8.10% |
| Reason for variance (ifabove 25%) | NA | NA | NA | NA |

## 31 Contingent liabilities not provided for and Commitments: -

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **(A) Contingent liabilities** | | |
| Guarantees given on behalf of subsidiary company to banks & FIs | | |
| Amount of guarantees | 13,500.00 | 50,600.00 |
| Amount of loans outstanding (Note 1) | 1,215.86 | 15,325.12 |
| **(B) Disputed Demand of Tax** | | |
| **i)** Income Tax Act (Company has paid under protest ₹148.56 Lakhs (P.Y. ₹148.56 Lakhs), which is shown under "Current Tax Liability (net) / Current Tax Asset (net)") (Note 2) | 49.73 | 787.33 |
| ii) TDS | - | - |

**Notes:**

1. Guarantees are given by the Company to various banks and Financial Institution on behalf of Subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.
2. An amount of ₹ 49.73 Lakhs for AY 11-12 and AY 2009-10 relates to tax demands for which appeals were filed and orders have already been received from the CIT(A). However, the Income Tax Department has not yet passed the order giving effect to these appellate orders, which would reduce the corresponding tax demands.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 32 Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR is ₹93.75 Lakhs (March 31, 2025: ₹66.58 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below.

| Sr. No. | Particulars | In Cash | Transferred to unspent CSR a/c U/s 135(6) | Yet to be paid in Cash | Total |
|---|---|---|---|---|---|
| 1 | Construction/ acquisition of assets | 93.75 | - | - | 93.75 |
| 2 | Other purpose (Other than 1 above) | - | - | - | - |

**Reason for shortfall in current year:** NA

**Nature of CSR activities:** To provide financial support to build healthcare center & philanthropic support to the needy people of the society.

## 33 Leasing Arrangements:

The company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. All lease agreements are cancellable at the discretion of the lessee i.e. The company by serving a notice to the lessor and hence there are no obligation or commitments with reference to such short-term lease as at reporting date.

**Amount Recognized in Statement of Profit and Loss:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Expenses related to short term lease | 221.49 | 158.43 |

## 34 Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current a sets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**35 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:**

List of related parties with whom transactions have taken place during the year:

**A) Subsidiary**

Namra Finance Limited

**B) Key Managerial Personnel**

Mr. Jayendra Patel (Whole Time Director)

Mr. Aalok Patel (Vice Chairman & Managing Director)

Mr. Vivek Modi (Executive Director & Group CFO)

Mr. Jaimish Patel (Company Secretary) (till 18-05-2025)

Mr. Uttam Patel (Company Secretary) (from 20-06-2025)

**C) Non-Executive Directors and Relatives of Key Managerial Personnel**

| Name of Party | Related party Relationship |
|---|---|
| Mr. Alok Prasad | Independent Director |
| Mr. Yash. K. Shah | Independent Director |
| Ms. Geetaben Solanki | Independent Director |
| Mr. Pinakin Shah | Independent Director |
| Mrs. Ritaben Patel | Non-Executive Director |
| Mr. Aakash Patel | Non-Executive Director |
| Jayendra Patel (HUF) | Key Managerial personnel is Karta |
| Mrs. Sajni Aalok Patel | Close Member of Key Management Personnel |
| Aalok Patel (HUF) | Key Managerial personnel is Karta |
| Aakash Patel (HUF) | Director is Karta |

**D) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year**

| | |
|---|---|
| Raaj Enterprise | Key Managerial personnel is proprietor |
| Arman Foundation | Key Managerial personnel is Trustee |
| J. B. Patel & Co. | Key Managerial personnel is co-owner |
| Namra Holdings & Consultancy Services LLP | Key Managerial Personnel are partners |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**E) Details of Transactions with related parties carried out in the ordinary course of business:**

| Particulars | Year Ended March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | Subsidiary | Key Managerial Personnel | Other Directors and Relatives of person who has control or significant influence on KMP | Entities in which KMP have control or significant influence | Total |
| **Income** | | | | | |
| Corporate Financial Guarantee Income | 142.73 | - | - | - | 142.73 |
| Interest Income | 166.63 | - | - | - | 166.63 |
| **Expenses** | | | | | |
| Remuneration & perquisites Paid | - | 94.64 | - | - | 94.64 |
| Sitting fees | - | - | 8.36 | - | 8.36 |
| Loss on Derecognition of Investment for financial guarantee | 454.00 | - | - | - | 454.00 |
| Interest expenses | 113.60 | 74.40 | 215.84 | 38.50 | 442.33 |
| Rent paid | - | - | 0.20 | - | 0.20 |
| CSR Expenses | - | - | - | 73.75 | 73.75 |
| **Investment in Subsidiary** | | | | | |
| Investment on account of acquisition of equity shares in right issue of subsidiary | - | - | - | - | - |
| Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary | 283.61 | - | - | - | 283.61 |
| **Unsecured Loan** | | | | | |
| Unsecured Loan Taken | 18,555.78 | 666.75 | 1,705.53 | 1,270.00 | 22,198.06 |
| Unsecured Loan Repaid (Including Interest) | 21,526.86 | 741.15 | 1,921.37 | 1,308.50 | 25,497.87 |
| Unsecured Loan Given | 28,695.17 | - | - | - | 28,695.17 |
| Unsecured Loan Given Received Back (Including interest) | 21,780.98 | - | - | - | 21,780.98 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Subsidiary | Key Managerial Personnel | Other Directors and Relatives of person who has control or significant influence on KMP | Entities in which KMP have control or significant influence | Total |
|---|---|---|---|---|---|
| | Year Ended March 31, 2025 | | | | |
| **Income** | | | | | |
| Corporate Financial Guarantee Income | 342.03 | - | - | - | 342.03 |
| Interest Income | 86.25 | - | - | - | 86.25 |
| **Expenses** | | | | | |
| Remuneration & perquisites Paid | - | 79.88 | - | - | 79.88 |
| Sitting fees | - | - | 7.49 | - | 7.49 |
| Loss on Derecognition of Investment for financial guarantee | 447.70 | - | - | - | 447.70 |
| Interest expenses | 335.08 | 58.00 | 76.89 | 102.13 | 572.09 |
| Rent paid | - | - | 0.20 | - | 0.20 |
| CSR Expenses | - | - | - | 1.00 | 1.00 |
| **Investment in Subsidiary** | | | | | |
| Investment on account of acquisition of equity shares in right issue of subsidiary | 7,000.00 | - | - | - | 7,000.00 |
| Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary | 461.49 | - | - | - | 461.49 |
| **Unsecured Loan** | | | | | |
| Unsecured Loan Taken | 39,819.03 | 487.94 | 599.57 | 795.50 | 41,702.03 |
| Unsecured Loan Repaid (Including Interest) | 37,296.62 | 545.94 | 676.45 | 897.63 | 39,416.64 |
| Unsecured Loan Given | 31,270.62 | - | - | - | 31,270.62 |
| Unsecured Loan Given Received Back (Including interest) | 31,356.86 | - | - | - | 31,356.86 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**F) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:**

**i. Unsecured Loans Given and Repayments**

**Unsecured loan Given**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 28,695.17 | 31,270.62 |

**Unsecured Loan Given Received Back (Including interest)**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 21780.98 | 31,356.86 |

**ii.Unsecured Loans Taken and Repayments**

**Unsecured loan taken**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 281.53 | 254.97 |
| 2 | Aalok Jayendra Patel | 24.75 | 13.00 |
| 3 | Aalok Jayendra Patel (HUF) | 2.25 | 2.10 |
| 4 | Jayendra Bhailal Patel | 642.00 | 474.94 |
| 5 | Jayendra Bhailal Patel (HUF) | 1039.00 | 29.50 |
| 6 | Namra Holding & Consultancy Services LLP | 1231.00 | 760.00 |
| 7 | Namra Finance Limited | 18555.78 | 39819.03 |
| 8 | Raaj Enterprise | 39.00 | 35.50 |
| 9 | Ritaben Patel | 382.75 | 313.00 |

**Unsecured Loan Repaid (Including Interest)**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 320.56 | 288.89 |
| 2 | Aalok Jayendra Patel | 27.95 | 14.47 |
| 3 | Aalok Jayendra Patel (HUF) | 2.56 | 2.39 |
| 4 | Jayendra Bhailal Patel | 713.19 | 531.47 |
| 5 | Jayendra Bhailal Patel (HUF) | 1163.91 | 33.40 |
| 6 | Namra Holding & Consultancy Services LLP | 1264.10 | 857.31 |
| 7 | Namra Finance Limited | 21526.86 | 37296.62 |
| 8 | Raaj Enterprise | 44.40 | 40.32 |
| 9 | Ritaben Patel | 434.34 | 351.76 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**iii. Income**

**Corporate Financial Guarantee Income**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 142.73 | 342.03 |

**Interest Income**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 166.63 | 86.25 |

**iv. Expenses**

**Interest expenses**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aakash Patel (HUF) | 39.03 | 33.93 |
| 2 | Aalok Patel | 3.20 | 1.47 |
| 3 | Aalok Patel (HUF) | 0.31 | 0.29 |
| 4 | Jayendra Patel | 71.19 | 56.53 |
| 5 | Jayendra Patel (HUF) | 124.91 | 3.90 |
| 6 | Namra Holding & Consultancy Services LLP | 33.10 | 97.31 |
| 7 | Namra Finance Limited | 113.60 | 335.08 |
| 8 | Raaj Enterprise | 5.40 | 4.82 |
| 9 | Ritaben Patel | 51.59 | 38.76 |

**Remuneration and perquisites**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Aalok Jayendra Patel | 17.00 | 10.98 |
| 2 | Jaimish Govindbhai Patel | 2.20 | 13.23 |
| 3 | Jayendra Bhailal Patel | 25.13 | 22.49 |
| 4 | Vivek Arun Modi | 36.49 | 33.18 |
| 5 | Uttam Patel | 13.83 | - |

The remuneration of key management personnels are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

**Sitting fees Paid**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Alok Prasad | 2.61 | 2.48 |
| 2 | Geeta Solanki | 0.93 | 0.81 |
| 3 | Ramakant Nagpal | - | 0.37 |
| 4 | Ritaben Patel | 0.74 | 1.11 |
| 5 | Yash Shah | 2.11 | 1.86 |
| 6 | Pinakin Shah | 1.98 | 0.87 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Rent paid**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | J. B. Patel & Co. | 0.20 | 0.20 |

**CSR Expenses**

| SRN | Name | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Arman Foundation | 73.75 | 1.00 |

**Loss on Derecognition of Investment for financial guarantee**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 454.00 | 447.70 |

**v. Investments in subsidiary during the year**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited (Investment on account of acquisition of equity shares in right issue of subsidiary) | - | 7000.00 |
| 2 | Namra Finance Limited (Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary) | 358.44 | 461.49 |

**G) Outstanding balances with related parties in ordinary course of business**

**i. Outstanding Credit Balance of Related Parties are as follows:**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | - | 2857.48 |

**ii. Outstanding Debit Balance of Related Parties are as follows:**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 7,080.82 | - |

**iii. Investments in subsidiary company#**

| SRN | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 1 | Namra Finance Limited | 34,955.81 | 35,126.21 |

#Including investments on account of: (a) Corporate financial guarantee given to bank on behalf of subsidiary (b) Issuance of equity shares to the employees of subsidiary at discount

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**H) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.**

Transactions with key management personnel are as follows:

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Post-employment benefits | 7.85 | 5.66 |
| Share Based Payment | 25.31 | 48.03 |
| **Total** | **33.16** | **53.69** |

36 There have been no events after the reporting date that require disclosure in these financial statements.

**37 Public Disclosure on Liquidity Risk for the Quarter ended March 31, 2026 pursuant to Reserve Bank of India (Non-Banking Financial Companies - Asset Liability Management) Directions, 2025, dated November 28, 2025 on Liquidity Risk Management Framework for Non-Banking Financial Companies:**

**(i) Funding concentration based on significant counterparty (both deposits and borrowings)**

| Particulars | Number of significant counterparties | Amount (₹ in Lakhs)* | % of Total Deposits | % of Total liabilities3 |
|---|---|---|---|---|
| As at March 31, 2026 | 19 | 52,526.05 | NA | 71.00% |
| As at March 31, 2025 | 17 | 36,887.73 | 0% | 85.72% |

*Includes securitization liabilities exposure

**(ii) Top 20 large deposits**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total amount of top 20 large deposits | - | - |
| Percentage of amount of top 20 large deposits to total deposits | - | - |

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

**(iii) Top 10 borrowings**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total amount of top 10 borrowings* | 40,391.25 | 32,114.15 |
| Percentage of amount of top 10 borrowings to total borrowings | 54.60% | 74.63% |

*Includes securitization liabilities exposure



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**(iv) Funding concentration based on significant instrument/product[2]**

| Sr. No. | Name of the instrument/product | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | % of Total Liabilities[3] |
| 1 | Non-Convertible Debentures | 44,673.14 | 60.38% | 14,065.60 | 32.69% |
| 2 | Term Loan from Banks | 3,469.91 | 4.69% | 4,108.80 | 9.55% |
| 3 | Term Loan from Financial Institutions | 14,979.30 | 20.25% | 9,898.07 | 23.00% |
| 4 | Inter Corporate Deposit | - | 0.00% | 2,857.48 | 12.10% |
| 5 | Securitization Liabilities | 4,127.17 | 5.58% | 5,205.72 | 6.64% |
| 6 | Short Term Funding | 5,464.51 | 7.39% | 5,172.40 | 12.02% |

**(v) Stock ratios:**

| Sr. No. | Particulars | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | As % of total public Funds4 | As % of total public Funds4 | As % of total public Funds4 | As % of total public Funds4 | As % of total liabilities3 | As % of total assets |
| (a) | Commercial papers | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (b) | Non-convertible debentures (original maturity of less than one year) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (c) | Other short-term liabilities5 | 35.81% | 35.19% | 18.97% | 69.49% | 66.70% | 28.25% |

***Notes:***

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities.
2. 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 NBFC-NDSI's, NBFC-Ds total liabilities.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public Funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding five years from the date of issue as defined in Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28,2025.
5. Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2026 and March 31, 2025.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 38 The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled..

| Particulars | Note No. | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **ASSETS** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash and cash equivalents | 1 | 7,484.27 | - | 7,484.27 | 480.94 | - | 480.94 |
| Bank Balance other than above | 2 | 6,937.69 | 227.75 | 7,165.44 | 6,700.96 | 196.76 | 6,897.72 |
| Loans | 3 | 45,719.51 | 30,650.92 | 76,370.43 | 37,001.55 | 18,270.78 | 55,272.33 |
| Investments | 4 | 7,270.76 | 34,820.81 | 42,091.58 | 454.00 | 34,672.21 | 35,126.21 |
| Other Financial assets | 5 | 325.14 | 11.84 | 336.98 | 443.07 | 5.61 | 448.68 |
| **Non-financial Assets** | | | | | | | |
| Current tax assets (Net) | 6 | 50.79 | - | 50.79 | - | - | - |
| Deferred tax Assets (Net) | 7 | 754.85 | - | 754.85 | 676.83 | - | 676.83 |
| Property, Plant and Equipment | 8 | - | 2,534.39 | 2,534.39 | - | 2,530.66 | 2,530.66 |
| Other Intangible assets | 8 | - | 7.25 | 7.25 | - | 9.56 | 9.56 |
| Capital Work-in-progress | 8 | - | 256.14 | 256.14 | - | 19.62 | 19.62 |
| Other non-financial assets | 9 | 173.80 | - | 173.80 | 150.23 | - | 150.23 |
| **Total Assets** | | **68,716.80** | **68,509.10** | **1,37,225.91** | **45,907.59** | **55,705.19** | **1,01,612.78** |
| **LIABILITIES AND EQUITY** | | | | | | | |
| **Financial Liabilities** | | | | | | | |
| Trade Payables | 10 | 127.73 | - | 127.73 | 22.05 | - | 22.05 |
| Debt Securities | 11 | 6,133.31 | 38,150.83 | 44,284.14 | 8,981.25 | 4,972.33 | 13,953.58 |
| Borrowings (Other than Debt Securities) | 12 | 20,828.31 | 7,149.72 | 27,978.02 | 19,555.31 | 7,614.72 | 27,170.03 |
| Subordinated Liabilities | 13 | - | - | - | - | - | - |
| Other financial liabilities | 14 | 1,241.03 | - | 1,241.03 | 880.77 | 2.38 | 883.14 |
| **Non-Financial Liabilities** | | | | | | | |
| Provisions | 15 | 53.85 | 148.33 | 202.18 | 31.81 | 73.67 | 105.48 |
| Current Tax Liabilities (Net) | 6 | - | - | - | 648.84 | - | 648.84 |
| Other non-financial liabilities | 16 | 148.48 | - | 148.48 | 239.09 | 10.38 | 249.47 |
| EQUITY | | | | | | | |
| Equity Share capital | 17 | - | 1,051.29 | 1,051.29 | - | 1,049.05 | 1,049.05 |
| Other Equity | 18 | - | 62,193.03 | 62,193.03 | - | 57,531.13 | 57,531.13 |
| **Total Liabilities and Equity** | | **28,532.71** | **1,08,693.20** | **1,37,225.91** | **30,359.12** | **71,253.65** | **1,01,612.78** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 39 Fair Value Measurements:

**A Financial instrument by category and their fair value**

| As at March 31, 2026 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | 7,377.82 | 68,992.61 | - | - | - | 76,370.43 | 76,370.43 |
| Cash and Cash Equivalents | 1 | 7,484.27 | - | - | 7,484.27 | - | - | 7,484.27 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 | 7,435.69 | - | - | - | 7,435.69 | - | 7,435.69 |
| Investments | 4 | 39,829.95 | - | 2,261.63 | 2,126.63 | - | 39,964.95 | 42,091.58 |
| Security Deposits | 5 | 14.76 | - | - | - | - | 14.76 | 14.76 |
| Other Advance | 5 | 16.50 | - | - | - | - | 16.50 | 16.50 |
| Interest Due but not Received on Loans and Advances | 5 | 35.47 | - | - | - | - | 35.47 | 35.47 |
| **Total Financial Assets** | | **62,194.45** | **68,992.61** | **2,261.63** | **9,610.89** | **7,435.69** | **1,16,402.11** | **1,33,448.69** |
| **Financial Liabilities** | | | | | | | | |
| Trade Payable | 10 | 127.73 | - | - | - | - | 127.73 | 127.73 |
| Debt Securities | 11 | 44,284.14 | - | - | - | - | 44,284.14 | 44,284.14 |
| Borrowings (Other than Debt Securities) | 12 | 27,978.02 | - | - | - | - | 27,978.02 | 27,978.02 |
| Subordinated Liabilities | 13 | - | - | - | - | - | - | - |
| Other financial liabilities | 14 | 1,241.03 | - | - | - | - | 1,241.03 | 1,241.03 |
| **Total Financial Liabilities** | | **73,630.92** | **-** | **-** | **-** | **-** | **73,630.92** | **73,630.92** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| As at March 31, 2025 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | 2,736.00 | 52,536.33 | - | - | - | 55,272.33 | 55,272.33 |
| Cash and Cash Equivalents | 1 | 480.94 | - | - | 480.94 | - | - | 480.94 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 | 7,159.33 | - | - | - | 7,159.33 | - | 7,159.33 |
| Investments | 4 | 34,537.21 | - | 589.00 | - | - | 35,126.21 | 35,126.21 |
| Security Deposits | 5 | 12.27 | - | - | - | - | 12.27 | 12.27 |
| Other Advance | 5 | 90.81 | - | - | - | - | 90.81 | 90.81 |
| Interest Due but not Received on Loans and Advances | 5 | 83.99 | - | - | - | - | 83.99 | 83.99 |
| Total Financial Assets | | 45,100.54 | 52,536.33 | 589.00 | 480.94 | 7,159.33 | 90,585.61 | 98,225.87 |
| **Financial Liabilities** | | | | | | | | |
| **Trade Payable** | **10** | **22.05** | **-** | **-** | **-** | **-** | **22.05** | **22.05** |
| Debt Securities | 11 | 13,953.58 | - | - | - | - | 13,953.58 | 13,953.58 |
| Borrowings (Other than Debt Securities) | 12 | 27,170.03 | - | - | - | - | 27,170.03 | 27,170.03 |
| Subordinated Liabilities | 13 | - | - | - | - | - | - | - |
| Other financial liabilities | 14 | 883.14 | - | - | - | - | 883.14 | 883.14 |
| **Total Financial Liabilities** | | **42,028.81** | **-** | **-** | **-** | **-** | **42,028.81** | **42,028.81** |

**B Reconciliation of level 3 fair value measurement is as follows:**

| Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Balance at the beginning of the year | 55,272.33 | 40,683.99 |
| Addition during the year | 59,857.64 | 42,784.05 |
| Amount derecognised / repaid during the year | (35,999.21) | (25,065.10) |
| Amount written off | (2,575.81) | (2,131.73) |
| Gains/(losses) recognised in statement of profit or loss | (184.53) | (998.88) |
| **Balance at the end of the year** | **76,370.43** | **55,272.33** |





# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*



**C Measurement of fair values**

**I. Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

**II. Financial instruments - fair value**

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

**III. Transfers between levels I and II**

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

**IV. Valuation techniques**

**Loans**

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

**D Capital**

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, 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.

**D.1 Capital management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

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.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

D.2

| Regulatory capital | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Tier 1 Capital | 26,041.02 | 28,556.96 |
| Tier 2 Capital | 195.33 | 585.35 |
| Risk Weighted Assets | 94,181.39 | 78,046.08 |
| Tier 1 Capital Ratio (%) | 27.65% | 36.59% |
| Total Capital Ratio (%) | 27.86% | 37.34% |

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

## 40 Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise borrowings 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 loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market 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, 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.

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'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.

### 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 receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

**Loans and advances:**

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 risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Retail assets (Refer Note 3) | 68,992.61 | 52,536.33 |
| Inter corporate deposits (Refer Note 3) | 7,377.82 | 2,736.00 |
| **Total** | **76,370.43** | **55,272.33** |

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. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

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 the portfolio into following groups.

a TW and LAP Loans

b SME Loans

c Retail Asset Channel Loans

**Staging:**

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. 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.

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 |
| 31-60 days | Stage 2 | Lifetime Provision |
| 61-90 days | Stage 2 | Lifetime Provision |
| 90+ days | Stage 3 | Lifetime Provision |

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**Expected credit loss for loans:**

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments.'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

**Marginal probability of default:**

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

**Marginal probability:**

The PDs derived from the Vasicek 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.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

**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. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

a) Outstanding balance (POS).

b) Recovery amount (discounted yearly) by initial contractual rate.

c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

d) Collateral (security) amount.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

**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. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the 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.

**Changes in ECL allowances in relation to loans from beginning to end of reporting period:** (₹ in Lakhs)

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Opening provision of ECL | 2,720.97 | 1,722.09 |
| Addition during the year | 3,044.94 | 2,897.33 |
| Utilization / reversal during the year | (2,860.41) | (1,898.45) |
| Closing provision of ECL | 2,905.49 | 2,720.97 |

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 unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2026 is 27.86% against regulatory norms of 15%. Tier I capital is 27.65% as against requirement of 10%. Tier II capital is 0.21% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total FDOD & CC limit available to the Company is ₹585.49 Lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes 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.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

The table below summarizes 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.

| | 1 Day to 30/31 Days (One Month) | Over One Month up to 2 Months | Over 2 Months up to 3 Months | Over 3 Months up to 6 Months | Over 6 Months up to 1 Year | Over 1 Year up to 3 Years | Over 3 Year up to 5 Years | Over 5 Years | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at March 31, 2026** | | | | | | | | | |
| Debt Securities (Refer Note 11 ) | 4,949.78 | - | 312.67 | 291.40 | 579.46 | 38,150.83 | - | - | 44,284.14 |
| Borrowings & Subordinated Liabilities (Refer Note 12 & 13) | 1,552.56 | 2,481.59 | 2,499.27 | 7,635.49 | 6,659.39 | 7,149.72 | - | - | 27,978.02 |
| Trade Payables | 127.73 | - | - | - | - | - | - | - | 127.73 |
| **As at March 31, 2025** | | | | | | | | | |
| Debt Securities (Refer Note 11 ) | 602.53 | - | 2,883.60 | 584.50 | 4,910.62 | 4,972.33 | - | - | 13,953.58 |
| Borrowings & Subordinated Liabilities (Refer Note 12 & 13) | 1,645.05 | 1,821.09 | 973.57 | 8,406.59 | 6,709.01 | 7,614.72 | - | - | 27,170.03 |
| Trade Payables | 22.05 | - | - | - | - | - | - | - | 22.05 |

**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 and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**IV 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 borrowings and 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 sensitivity analysis has been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

(₹ In Lakhs)

| Particulars | For the year ended on March 31, 2026 | |
|---|---|---|
| **Change in interest rates** | **50 bp increase** | **50 bp decrease** |
| **Bank Deposits** | **7,165.44** | **7,165.44** |
| Impact on profit for the year | 35.83 | (35.83) |
| **Variable Rate Borrowings** | **19,550.43** | **19,550.43** |
| Impact on profit for the year | (97.75) | 97.75 |

**V Foreign currency risk:**

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 41 Stock Option Scheme

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023' ("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2026, Company has granted 8,100 new stock options under the scheme of ESOP 2023 (P.Y. 12,350 options granted under the scheme of ESOP 2023, respectively).

**Details of grant and exercise of such options are as follows:**

| Schemes | Tranches | No. of options granted | Date of grant | No of Employees | F.Y. | No. of employees who have exercised the option | No. of options exercised |
|---|---|---|---|---|---|---|---|
| ESOP-2016 | ESOP-2016 -1 | 97,500 | May 26, 2017 | 55 | 2018-19 | 49 | 27,645 |
| | | | | | 2019-20 | 48 | 26,595 |
| | | | | | 2020-21 | 45 | 34,340 |
| | ESOP-2016 -2 | 9,000 | May 25, 2018 | 3 | 2019-20 | 2 | 2,400 |
| | | | | | 2020-21 | 2 | 2,400 |
| | | | | | 2021-22 | 2 | 3,200 |
| | ESOP-2016 -3 | 2,500 | October 13, 2018 | 1 | 2019-20 | 1 | 750 |
| | | | | | 2020-21 | 1 | 750 |
| | ESOP-2016-4 | 3,500 | Feb 12, 2021 | 6 | 2022-23 | 5 | 750 |
| | | | | | 2023-24 | 4 | 645 |
| | | | | | 2024-25 | 4 | 860 |
| | ESOP-2016-5 | 2,000 | Feb 14, 2022 | 2 | 2023-24 | 2 | 600 |
| | | | | | 2024-25 | 1 | 300 |
| | | | | | 2025-26 | 1 | 400 |
| | ESOP-2016-6 | 4,500 | Feb 14, 2023 | 2 | 2024-25 | 1 | 750 |
| | | | | | 2025-26 | 1 | 750 |
| | ESOP-2016-7 | 1,000 | Aug 14, 2023 | 1 | 2024-25 | 1 | 300 |
| | | | | | 2025-26 | 1 | 300 |
| ESOP-2023 | ESOP-2023-1 | 1,48,600 | Aug 14, 2023 | 730 | 2024-25 | 497 | 11,554 |
| | | | | | 2025-26 | 422 | 19,878 |
| | ESOP-2023-2 | 12,350 | Aug 14, 2024 | 30 | 2024-25 | - | - |
| | | | | | 2025-26 | 25 | 1,055 |
| | ESOP-2023-3 | 8,100 | Aug 13, 2025 | 10 | 2025-26 | - | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Key terms and conditions related to the grant of the stock options are as follows:**

| Particulars | ESOP 2016 |
|---|---|
| Date of Grant | May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023 |
| Date of board meeting, where ESOP were approved | 11 August 2016 |
| Date of committee meeting where grant of options was approved | May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023 |
| Date of Shareholder's approval | September 22, 2016 |
| No. of options granted | 1,20,000 out of 1,25,000 |
| Method of Settlement | Through allotment of one equity share for each option granted |
| Vesting conditions | The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options. |
| Vesting period | Option will be vested at the End of Year from the Grant Date: -<br>30% End of 1 Year<br>30% End of 2 Years<br>40% End of 3 Years<br>Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force. |
| Exercise period | It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options |

| Particulars | ESOP 2023 |
|---|---|
| Date of Grant | August 14, 2023, August 14, 2024 and August 13, 2025 |
| Date of board meeting, where ESOP were approved | May 30, 2023 |
| Date of committee meeting where grant of options were approved | August 14, 2023, August 14, 2024 and August 13, 2025 |
| Date of Shareholder's approval | July 4, 2023 |
| No. of options granted | 1,69,050 out of 3,00,000 |
| Method of Settlement | Through allotment of one equity share for each option granted |
| Vesting conditions | The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options. |
| Vesting period | Option will be vested at the End of Year from the Grant Date: -<br>10% End of 1 Year<br>20% End of 2 Years<br>30% End of 3 Years<br>40% End of 4 Years |
| Exercise period | It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Details of Vesting and Exercise of Options (ESOP 2016):**

| Vesting Date | ESOP-2016 | | ESOP-2023 | |
|---|---|---|---|---|
| | Vested Options | No of Option Exercised | Vested Options | No of Option Exercised |
| May 26, 2018 | 29,250 | 27,645 | - | - |
| May 25, 2019 | 2,700 | 2,400 | - | - |
| May 26, 2019 | 28,485 | 26,595 | - | - |
| October 13, 2019 | 750 | 750 | - | - |
| May 25, 2020 | 34,660 | 34,340 | - | - |
| May 26, 2020 | 2,400 | 2,400 | - | - |
| October 13, 2020 | 750 | 750 | - | - |
| May 24, 2021 | 3,200 | 3,200 | - | - |
| February 12, 2022 | 1,050 | 750 | - | - |
| February 11, 2023 | 750 | 645 | - | - |
| February 13, 2023 | 600 | 600 | - | - |
| February 11, 2024 | 860 | 860 | - | - |
| February 13, 2024 | 1,050 | 1,050 | - | - |
| August 13, 2024 | 300 | 300 | 11,924 | 11,606 |
| February 13, 2025 | 1,150 | 1,150 | - | - |
| August 13, 2025 | 300 | 300 | 22,197 | 20,881 |

**The following table sets forth a summary of ESOP schemes:**

| Particulars | ESOP-2016 | | ESOP-2023 | |
|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Options outstanding at the beginning of the year | 2,850 | 5,060 | 1,12,956 | 1,27,040 |
| Vested but not exercised at the beginning of the year | 1,150 | 1910 | 256 | - |
| Granted during the year | - | - | 8,100 | 12,350 |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | 1,450 | 2,210 | 20.933 | 11,554 |
| Lapsed during the year | - | - | 10,600 | 14,880 |
| Outstanding at the end of the year | 1,400 | 2,850 | 89,523 | 1,12,956 |
| Exercisable at the end of the year | 1,000 | 1,150 | 1,254 | 256 |
| Weighted average exercise price per option | ₹50/- | ₹50/- | ₹500/- | ₹500/- |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Share options outstanding at the end of the year have the following contractual expiry date and exercise options::**

| Tranches | Grant date | Number of Granted options | Expiry date | Exercise price | Number of options outstanding | |
|---|---|---|---|---|---|---|
| | | | | | As at March 31, 2026 | As at March 31, 2025 |
| ESOP-2016-5 | 14-Feb-22 | 800 | 13-Feb-25 | 50 | - | 400 |
| ESOP-2016-6 | 14-Feb-23 | 1,350 | 13-Feb-25 | 50 | - | 750 |
| | 14-Feb-23 | 1,800 | 13-Feb-26 | 50 | 1,000 | 1,000 |
| ESOP-2016-7 | 14-Aug-23 | 300 | 13-Aug-25 | 50 | - | 300 |
| | 14-Aug-23 | 400 | 13-Aug-26 | 50 | 400 | 400 |
| ESOP-2023-1 | 14-Aug-23 | 14,860 | 13-Aug-24 | 500 | 124 | 256 |
| | 14-Aug-23 | 29,720 | 13-Aug-25 | 500 | 1,130 | 22,300 |
| | 14-Aug-23 | 44,580 | 13-Aug-26 | 500 | 30,636 | 33,450 |
| | 14-Aug-23 | 59,440 | 13-Aug-27 | 500 | 40,848 | 44,600 |
| ESOP-2023-2 | 14-Aug-24 | 1,235 | 13-Aug-25 | 500 | - | 1,235 |
| | 14-Aug-24 | 2,470 | 13-Aug-26 | 500 | 1,930 | 2,470 |
| | 14-Aug-24 | 3,705 | 13-Aug-27 | 500 | 2,895 | 3,705 |
| | 14-Aug-24 | 4,940 | 13-Aug-28 | 500 | 3,860 | 4,940 |
| ESOP-2023-3 | 13-Aug-25 | 810 | 13-Aug-26 | 500 | 810 | - |
| | 13-Aug-25 | 1,620 | 13-Aug-27 | 500 | 1,620 | - |
| | 13-Aug-25 | 2,430 | 12-Aug-28 | 500 | 2,430 | - |
| | 13-Aug-25 | 3,240 | 12-Aug-29 | 500 | 3,240 | - |
| | | | **Total** | | **90,923** | **1,15,806** |

**Measurement of fair values**

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

| Tranches | Grant date | Expiry date | Historical volatility | Exercise price | Share price | Risk free rate | Fair value of option |
|---|---|---|---|---|---|---|---|
| ESOP-2016-5 | 14-Feb-22 | 13-Feb-25 | 50.97% | 50 | 747.65 | 5.40% | 705.43 |
| ESOP-2016-6 | 14-Feb-23 | 13-Feb-25 | 22.02% | 50 | 1,511.00 | 7.31% | 1,468.18 |
| | 14-Feb-23 | 13-Feb-26 | 22.02% | 50 | 1,511.00 | 7.39% | 1,471.30 |
| ESOP-2016-7 | 14-Aug-23 | 13-Aug-25 | 45.00% | 50 | 2,308.00 | 7.29% | 2,265.16 |
| | 14-Aug-23 | 13-Aug-26 | 45.00% | 50 | 2,308.00 | 7.31% | 2,268.20 |
| ESOP-2023-1 | 14-Aug-23 | 13-Aug-24 | 45.00% | 500 | 2,308.00 | 7.28% | 1,876.55 |
| | 14-Aug-23 | 13-Aug-25 | 45.00% | 500 | 2,308.00 | 7.31% | 1,909.50 |
| | 14-Aug-23 | 13-Aug-26 | 45.00% | 500 | 2,308.00 | 7.33% | 1,941.18 |
| | 14-Aug-23 | 13-Aug-27 | 45.00% | 500 | 2,308.00 | 7.33% | 1,970.87 |
| ESOP-2023-2 | 14-Aug-24 | 13-Aug-25 | 45.00% | 500 | 1,798.40 | 6.85% | 1,348.14 |
| | 14-Aug-24 | 13-Aug-26 | 45.00% | 500 | 1,798.40 | 6.91% | 1,382.15 |
| | 14-Aug-24 | 13-Aug-27 | 45.00% | 500 | 1,798.40 | 6.92% | 1,415.13 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Tranches | Grant date | Expiry date | Historical volatility | Exercise price | Share price | Risk free rate | Fair value of option |
|---|---|---|---|---|---|---|---|
| | 14-Aug-24 | 13-Aug-28 | 45.00% | 500 | 1,798.40 | 6.88% | 1,445.70 |
| ESOP-2023-3 | 13-Aug-25 | 13-Aug-26 | 45.00% | 500 | 1,379.40 | 6.24% | 945.12 |
| | 13-Aug-25 | 13-Aug-27 | 45.00% | 500 | 1,379.40 | 6.49% | 982.36 |
| | 13-Aug-25 | 12-Aug-28 | 45.00% | 500 | 1,379.40 | 6.54% | 1,016.10 |
| | 13-Aug-25 | 12-Aug-29 | 45.00% | 500 | 1,379.40 | 6.74% | 1,049.35 |

42 The Board of Directors has not recommended any dividend for the financial year 2025-26 (P.Y. Dividend Nil per equity share of face value of ₹10/- each)

43 **Disclosures required as per Circular DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025:**

| Asset Classification as per RBI Norms | Assets Classification AS per IND AS 109 | Gross Carrying Amount as per IND AS | Loss Allowance (Provisions) as required under Ind AS 109 | Net Carrying Amounts | Provisions required as per IRACP Norms | Difference between IND AS 109 Provision and IRACP Norms |
|---|---|---|---|---|---|---|
| **A. Performing Assets** | | | | | | |
| Standard | Stage 1 | 76173.70 | 841.43 | 75332.27 | 307.27 | 534.15 |
| | Stage 2 | 556.08 | 161.50 | 394.59 | 2.24 | 159.26 |
| Subtotal | | 76729.78 | 1002.93 | 75726.86 | 309.51 | 693.41 |
| **B. Non-Performing Assets** | | | | | | |
| Sub standards | Stage 3 | 2435.02 | 1791.44 | 643.57 | 244.05 | 1547.39 |
| Doubtful up to 1 year | Stage 3 | 72.48 | 72.48 | 0.00 | 72.48 | 0.00 |
| 1 to 3 years | Stage 3 | 11.67 | 11.67 | 0.00 | 11.67 | 0.00 |
| More than 3 years | Stage 3 | 26.97 | 26.97 | 0.00 | 26.97 | 0.00 |
| **Subtotal for Doubtful** | **Stage 3** | **111.13** | **111.12** | **0.00** | **111.12** | **0.00** |
| Loss | Stage 3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Subtotal for NPA** | | **2546.14** | **1902.57** | **643.58** | **355.18** | **1547.39** |
| **Total** | Stage 1 | 76173.70 | 841.43 | 75332.27 | 307.27 | 534.15 |
| | Stage 2 | 556.08 | 161.50 | 394.59 | 2.24 | 159.26 |
| | Stage 3 | 2546.14 | 1902.57 | 643.58 | 355.18 | 1547.39 |
| | **Total** | **79275.93** | **2905.49** | **76370.43** | **664.69** | **2240.81** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**44 Disclosures required in terms of Chapter-III Disclosure in Financial Statements – Notes to Accounts, as per Master Direction DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 are mentioned as below:**

**A. Capital to risk assets ratio (CRAR)**

| Sr. No. | Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| (I) | CRAR (%) | 27.86% | 37.34% |
| (II) | CRAR Tier I Capital (%) | 27.65% | 36.59% |
| (III) | CRAR Tier II Capital (%) | 0.21% | 0.75% |
| (IV) | Amount of subordinated debt raised as Tier-II Capital | - | - |
| (V) | Amount raised by issue of perpetual debt instruments | - | - |

**B. Investments**

| Particulars | | | March 31, 2026 | March 31, 2025 |
|---|---|---|---|---|
| (1) | Value of investments | | 42,091.58 | 35,126.21 |
| | **(i) Gross value of investments** | | | |
| | (A) | In India | 42,091.58 | 35,126.21 |
| | (B) | Outside India | - | - |
| | **(ii)** | **Provision for deprecation** | | |
| | (A) | In India | - | - |
| | (B) | Outside India | - | - |
| | **(iii)** | **Net value of investments** | | |
| | (A) | In India | 42,091.58 | 35,126.21 |
| | (B) | Outside India | - | - |
| (2) | Movement of provisions held towards Depreciation on investments. | | | |
| | (i) | Opening balance | - | - |
| | (ii) | Add: provisions made during the year | - | - |
| | (iii) | Less: write-off/write-back of excess provisions during the year. | - | - |
| | (iv) | Closing balance | - | - |

**C. Derivatives**

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**D. Disclosure relating to securitization:**

The Company has entered into transaction of Securitization (PTC) of ₹ 3,997.79 Lakhs during the Year Ended March 31, 2026 (Previous Years: ₹ 5,205.72).

| Sr No | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 1) | No of SPVs sponsored by the company for securitization transactions | 2 | 1 |
| 2) | Total amount of securitized assets as per books of the SPVs sponsored by the Company | 4,127.17 | 5,205.72 |
| 3) | Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet | | |
| | a) Off-balance sheet exposures | | |
| | • First loss | - | - |
| | • Others | - | - |
| | b) On-balance sheet exposures | | |
| | • First loss | 575.00 | 350.00 |
| | • Others | 447.61 | 228.41 |
| 4) | Amount of exposures to securitization transactions other than MRR | | |
| | a) Off-balance sheet exposures | | |
| | i) Exposure to own securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | ii) Exposure to third party securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | b) On-balance sheet exposures | | |
| | i) Exposure to own securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | ii) Exposure to third party securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| 5) | Sale consideration received for the securitized assets and gain / loss on sale on account of securitization | 3,997.79 | 5,205.72 |
| 6) | Form and quantum (outstanding value) of services provided* | 4,127.17 | 5,205.72 |
| 7) | Performance of facility provided:<br>(a) Amount paid to Investor out of the collection made | 5,791.30 | - |
| | (b) Repayment received from the pool | 7,132.40 | - |
| | (c) Outstanding amount | 5,149.78 | 5,784.13 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Sr No | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | (d) Servicing fee | 2.00 | - |
| | (e) Credit enhancement in the form of Loan (10% of pool amount) and cash collateral (5%/6% of pool amount) | 1,022.61 | 578.41 |
| 8) | Average default rate of portfolios observed | 2.29% | - |
| 9) | Amount and number of additional / top up loan given on same underlying asset. | NA | NA |
| 10) | Investor complaints (a) Directly / Indirectly received and (b) Complaints outstanding | - | - |

*Note: Company considers the securitization as one of the modes of fund raising. As this do not meet the criteria for derecognition, the same remains on balance sheet item and the amount received is considered as borrowing. Company remits the interest payable and principal collection from the pool to the lender at periodic intervals as per the agreement.

**E. Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction**

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year. (Previous year Nil)

**F. Details of assignment transactions undertaken by NBFC:**

| Sr. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| i) | No. of Accounts | - | - |
| ii) | Book value of loans assets assigned during the year | - | - |
| iii) | Sale consideration received during the year | - | - |
| iv) | Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v) | Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread) | - | - |

**G. Details of non-performing assets purchase / sold**

The Company has not purchased/sold non performing financial assets in the current and previous year.

**H. Assets Liability Management**

Maturity pattern of certain Assets and Liability as on March 31, 2026

| Particulars | 1-7 days | 8-14 days | 15-30 days | Over 1 month upto 2 month | Over 2 month upto 3 month | Over 3 month & upto 6 month | Over 6 month & upto 1 year | Over 1 year & upto 3 year | Over 3 year & upto 5 year | Over 5 year | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | 14.76 | - | - | - | - | 14.76 |
| Advances | 2,518.11 | 2,601.53 | 2,361.07 | 5,961.36 | 3,504.76 | 10,329.04 | 18,443.63 | 25,975.92 | 2,982.04 | 1,692.97 | 76,370.43 |
| Investments | - | - | - | 7,190.76 | 50.00 | 30.00 | - | 34,820.81 | - | - | 42,091.58 |
| Cash & cash Equivalents | 7,470.17 | - | - | - | - | - | 14.10 | - | - | - | 7,484.27 |
| Bank balance other than above | - | - | - | 3,585.00 | - | 2.69 | 3,350.00 | 227.75 | - | - | 7,165.44 |
| Borrowings (Including debt securities) | 5,244.81 | - | 1,257.53 | 2,481.59 | 2,811.94 | 7,926.89 | 7,238.86 | 45,300.55 | - | - | 72,262.17 |
| Foreign currency assets | - | - | - | - | - | - | - | - | - | - | - |
| Foreign currency liabilities | - | - | - | - | - | - | - | - | - | - | - |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**I. Exposure To Capital Market**

The Company has no exposure to capital market directly or indirectly in the current and previous year.

**J. Exposure to Real Estate Sector**

The Company has directly or indirectly exposure to real estate sector as under:

| Category | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **i) Direct exposure** | | |
| **a) Residential Mortgages –** | | |
| (Lending fully secured by mortgages on residential property) | 7,778.60 | 2,744.05 |
| **b) Commercial Real Estate –** | | |
| (Lending secured by mortgages on commercial real estate) | 193.01 | 2,291.42 |
| **c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –** | | |
| i. Residential | - | - |
| ii. Commercial Real Estate | - | - |
| **ii) Indirect Exposure** | | |
| (Exposures on NHB and HFCs) | - | - |
| **Total Exposure to Real Estate Sector** | **7,971.60** | **5,035.47** |

**K. Details of financing of parent Company products:**

This disclosure is not applicable as the Company does not have any holding / parent Company.

**L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC**

i) Loans and advances to (excluding advance funding but including off-balance sheet exposures) and investment in the shares of, single party in excess of 25 per cent of tier I capital of the NBFC: Nil

ii) Loans and advances to (excluding advance funding but including off-balance sheet exposures) and investment in the shares of, single group of parties in excess of 40 per cent of tier I capital of the NBFC: Nil

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**M. Unsecured Advances:**

i) Refer Note no. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (31 March 2025: Nil).

**N. Registration obtained from other financial sector regulators.**

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

i) Ministry of Corporate Affairs

ii) Ministry of Finance

**O. Disclosure of penalties imposed by RBI and other regulators.**

No penalties imposed by RBI and other regulator during current year and previous year.

**P. Rating assigned by credit rating agencies and migration of ratings during the year**

**For FY 2025-26**

| Deposit Instruments | Name of rating agency | Date of rating | Rating assigned | Valid up to (Refer Note 1) | Borrowing limits or conditions imposed by rating agency |
|---|---|---|---|---|---|
| Bank Loan Ratings | Acuité Ratings & Research | 18-03-2026 | ACUITE A- \| Stable \| Reaffirmed | March 2027 | 70.00 Crore |
| Non-Convertible Debentures (NCD) | Acuité Ratings & Research | 18-03-2026 | ACUITE A- \| Stable \| Assigned | March 2027 | 150.00 Crore |
| Non-Convertible Debentures (NCD) | Acuité Ratings & Research | 18-03-2026 | ACUITE A- \| Stable \| Reaffirmed | March 2027 | 240.00 Crore |
| Non-Convertible Debentures (NCD) | CARE Ratings | 31-12-2025 | CARE A- \| Negative | December 2026 | 39.00 Crore |
| Non-Convertible Debentures (NCD) | CARE Ratings | 31-12-2025 | CARE A- \| Negative | December 2026 | 58.50 Crore |
| Non-Convertible Debentures (NCD) | CARE Ratings | 31-12-2025 | CARE A- \| Negative | December 2026 | 52.00 Crore |
| Securitization (Crest 2025 PTC Series A1) | ICRA | 23-04-2025 | [ICRA]A(SO) | April 2026 | 52.06 Crore |
| Securitization (Haven 2025 PTC Series A1) | ICRA | 20-08-2025 | [ICRA]A-(SO) | August 2026 | 39.98 Crore |

**Note 1:** The rating is subject to annual surveillance till final repayment / redemption of rated facilities



Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**For FY 2024-25**

| Deposit Instruments | Name of rating agency | Date of rating | Rating assigned | Valid up to (Refer Note 1) | Borrowing limits or conditions imposed by rating agency |
|---|---|---|---|---|---|
| Bank Loan Ratings | Acuité Ratings & Research | 07-05-2025 | ACUITE A \| Negative \| Reaffirmed | May 2026 | 70.00 Crore |
| Non-Convertible Debentures (NCD) | Acuité Ratings & Research | 07-05-2025 | ACUITE A \| Negative \| Reaffirmed | May 2026 | 49.80 Crore |
| Non-Convertible Debentures (NCD) | Acuité Ratings & Research | 07-05-2025 | ACUITE A \| Negative \| Reaffirmed | May 2026 | 49.00 Crore |
| Non-Convertible Debentures (NCD) | CARE Ratings | 07-01-2025 | CARE A- \| Stable | January 2026 | 39.00 Crore |
| Non-Convertible Debentures (NCD) | CARE Ratings | 07-01-2025 | CARE A- \| Stable | January 2026 | 58.50 Crore |
| Securitization (Crest 2025 PTC Series A1) | ICRA | 15-04-2025 | ICRA A (SO) | April 2026 | 52.06 Crore |

**Note 1:** The rating is subject to annual surveillance till final repayment / redemption of rated facilities

**Q. Remuneration of Directors**

Refer Note no. 35 of Financial Statements.

**R. Management**

The annual report has a detailed chapter on Management Discussion and Analysis.

**S. Net Profit of Loss for the period, prior period items and change in accounting policies**

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

**T. Revenue Recognition**

Refer para no. 3.1 to the accounting policy

**U. Ind AS 110 - consolidated financial statements (CFS)**

All the subsidiaries of the Company have been consolidated as per Ind AS 110. Refer consolidated financial statements (CFS).

**V. Provisions and Contingencies**

The information on all provisions and contingencies is as under:

| Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss. | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| Provision towards impaired assets (Stage3) | 544.16 | 606.93 |
| Provision made towards income tax | 1,422.80 | 1,745.20 |
| Provision towards impaired assets (Stage1 and 2) | (359.63) | 391.94 |
| Provision towards Interest Receivable on credit impaired assets | 92.62 | 72.70 |
| Provision for employee benefits | 110.55 | 30.05 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**W. Drawn down from Reserves:**

There is no draw down from reserves during the year.

**X. Concentration of deposits (for deposit taking NBFCs):**

Not applicable, as company has not taken any Deposits from public During the Year.

**Y. Concentration of advances:**

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

**Z. Concentration of exposure:**

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

**AA. Concentration of Stage 3 assets:**

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

**BB. Sector-wise Stage 3 assets (Gross):**

| Sector | % Of Stage 3 assets to Total Advances in that sector as at March 31, 2026 | % Of Stage 3 assets to Total Advances in that sector as at March 31, 2025 |
|---|---|---|
| MSME | 3.84% | 3.62% |
| TW Loans | 3.95% | 3.18% |
| LAP | 0.74% | 0.17% |

**CC. Movement of Stage 3 Assets:**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| (i) Net stage 3 assets to net advances (%) | 0.93% | 0.99% |
| (ii) Movement of stage 3 assets (gross) | | |
| (a) Opening balance | 1,878.66 | 1,123.90 |
| (b) Additions during the year | 2,396.90 | 1,821.06 |
| (c) Reductions during the year | (1,729.42) | (1,066.30) |
| (d) Closing balance | 2,546.14 | 1,878.66 |
| (iii) Movement of net stage 3 assets | | |
| (a) Opening balance | 520.25 | 372.43 |
| (b) Additions during the year | 354.89 | 288.52 |
| (c) Reductions during the year | (231.57) | (140.70) |
| (d) Closing balance | 643.58 | 520.25 |
| (iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets) | | |
| (a) Opening balance | 1,358.41 | 751.47 |
| (b) Additions during the year | 2,042.01 | 1,532.54 |
| (c) Reductions during the year | (1,497.86) | (925.60) |
| (d) Closing balance | 1,902.57 | 1,358.41 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**DD. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil**

**EE. Disclosure Of Customer Complaints**

| Sr. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| a) | No. of complaints pending at the beginning of the year | - | - |
| b) | No. of complaints received during the year | 50 | 9 |
| c) | No. of complaints redressed during the year | 49 | 9 |
| d) | No. of complaints pending at the end of the year | 1 | - |

**Top five grounds of complaints received by the NBFCs from customers**

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at beginning of year | Number of complaints received during year | % increase/ decrease in number of complaints received over previous year | Number of complaints pending at end of year | Number of complaints pending beyond 30 days |
|---|---|---|---|---|---|
| **FY 25-26** | | | | | |
| Delay & Denial of Services | - | 15 | 1500.00% | - | - |
| Rectification in Credit Bureau Report | - | 14 | 250.00% | - | - |
| Delay in releasing NOC (including NOC Charge Waiver Request) | - | 7 | 133.33% | - | - |
| Closer & Settlement | - | 5 | 400.00% | - | - |
| Clarification on Statement of Accounts | - | 5 | 500.00% | - | - |
| Others | - | 4 | 300.00% | 1 | 1 |
| **FY 24-25** | | | | | |
| Delay & Denial of Services | - | - | (100.00%) | - | - |
| Rectification in Credit Bureau Report | - | 4 | 300.00% | - | - |
| Delay in releasing NOC (including NOC Charge Waiver Request) | - | 3 | 200.00% | - | - |
| Closer & Settlement | - | 1 | 0.00% | - | - |
| Clarification on Statement of Accounts | - | 0 | (100.00%) | - | - |
| Others | - | 1 | (50.00%) | - | - |

**Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

| Sr. No | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| **Complaints received by the NBFC from its customers** | | | |
| 1 | Number of complaints pending at beginning of the year | Nil | Nil |
| 2 | Number of complaints received during the year | Nil | Nil |
| 3 | Number of complaints disposed during the year | Nil | Nil |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Sr. No | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| 3.1 | Of which, number of complaints rejected by the NBFC | | |
| 4 | Number of complaints pending at the end of the year | Nil | Nil |
| **Maintainable complaints received by the NBFC from Office of Ombudsman** | | | |
| 5 | Number of maintainable complaints received by the NBFC from Office of Ombudsman | Nil | Nil |
| 5.1 | Number of complaints resolved in favour of the NBFC by Office of Ombudsman | Nil | Nil |
| 5.2 | Number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman | Nil | Nil |
| 5.3 | Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | Nil | Nil |
| 6 | Number of Awards unimplemented within the stipulated time (other than those appealed) | Nil | Nil |

**45 Information as required in terms of Annex I of the Master Direction DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 are mentioned as below:**

**Liabilities Side:**

**A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:**

| Sr No. | Particulars | Year ended March 31, 2026 | |
|---|---|---|---|
| | | Amount Outstanding | Amount Overdue |
| a) | Debentures : Secured | 44,284.14 | - |
| | : Unsecured | - | - |
| b) | Deferred Credits | - | - |
| c) | Term Loans | 22,513.52 | - |
| d) | Inter-Corporate Loans and borrowings | - | - |
| e) | Commercial Paper | - | - |
| f) | Other loans: | | |
| | Bank Overdraft | 5,464.51 | - |

**B. Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):**

| Sr No. | Particulars | Year ended March 31, 2026 | |
|---|---|---|---|
| | | Amount outstanding | Amount Overdue |
| a) | In the form of unsecured debentures | - | - |
| b) | In the party secured Debentures i.e., debenture where there is shortfall in the value of security | - | - |
| c) | Other public deposits | - | - |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Asset Side:**

**C. Break-up of loans and advances including bills receivables (other than those included in (D) below)**

| Sr. No. | Particulars | Amount Outstanding (Net of Provisions) |
|---|---|---|
| a) | Secured | 16,622.36 |
| b) | Unsecured | 59,748.07 |

**D. Break up of leased assets and stock on hire and other assets counting towards AFC activities**

| Sr. No. | Particulars | Amount Outstanding |
|---|---|---|
| (i) | **Lease assets including lease rentals under sundry debtors:** | |
| | Financial Lease | - |
| | 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 reprocessed | - |
| | b) Loans other than a) above | - |

**E. Break-up of Investments**

Refer Note 44 (B) Above

**F. Borrower group-wise classification of assets financed as in (B) and (C) above:**

| Sr. No. | Category | Amount net off Provisions | | |
|---|---|---|---|---|
| | | Secured | Unsecured | Total |
| 1 | Related Parties** | | | |
| | a) Subsidiaries | - | 7,080.82 | - |
| | b) Companies with the same group | - | - | - |
| | c) Other related parties | - | - | - |
| 2 | Other than related parties | 16,622.36 | 52,667.25 | 76,370.43 |
| | Total | 16,622.36 | 59,748.07 | 76,370.43 |

** As per Ind AS issued by MCA (refer note 3 below)

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

| Sr No. | Category | Market Value/ Breakup or Fair value of NAV | Book Value (Net of Provision) |
|---|---|---|---|
| 1 | **Related parties**** | | |
| | a) Subsidiaries (Refer Note Below) | 65,034.34 | 34,955.81 |
| | b) Companies in the same group | - | - |
| | c) other related parties | - | - |
| 2 | **Other than related parties** | **7,135.76** | **7,135.76** |
| | **Total** | **72,170.10** | **42,091.58** |

**As per Ind AS issued by MCA (Refer Note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on March 31, 2026.

**H. Other Information:**

| Sr No | Particulars | Amount |
|---|---|---|
| (i) | **Gross non-performing Assets** | |
| | a) Related parties | - |
| | b) Other than related parties | 2,546.14 |
| (ii) | **Net non-performing assets** | |
| | a) Related parties | - |
| | b) Other than related parties | 643.58 |
| (iii) | **Assets acquired in satisfaction of debt** | **-** |

**Notes:**

1) Public Deposits as defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.
2) Provisioning norms shall be applicable as prescribed in these Directions.
3) All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (E) above.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**46 Sectoral exposure**

| Sectors | Year Ended on 31st March 2026 | | | Year Ended on 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakh) | Gross NPAs (₹ Lakh) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakh) | Gross NPAs (₹ Lakh) | Percentage of Gross NPAs to total exposure in that sector |
| **Other:** | | | | | | |
| Retail SME Loans | 55,113.67 | 2,261.57 | 4.10% | 45,413.66 | 1,820.16 | 4.01% |
| Vehicle Loans | 9,387.49 | 370.92 | 3.95% | 7,763.42 | 246.75 | 3.18% |
| Loans Against Property | 7,971.60 | 58.59 | 0.74% | 2,785.47 | 4.60 | 0.17% |
| Solar Loans | 215.04 | - | 0.00% | - | - | 0.00% |
| **Total** | **72,687.81** | **2,691.08** | **3.70%** | **55,962.55** | **2,071.51** | **3.70%** |

**47 Intra-group exposures:**

The company have intra-group exposure of ₹ 7,080.82 Lakhs in relation to its wholly owned subsidiary (Namra Finance Limited) as on March 31, 2026 (March 31, 2025 : Nil)

**48 Unhedged foreign currency exposure:**

The company does not have unhedged foreign currency exposure as on March 31, 2026 (March 31, 2025 : NIL)

49 Details of frauds reported during the year are disclosed as under, as per the Master Directions on Monitoring of Frauds in NBFCs:

| Sl. No. | Details of the Case | Date of Reporting | Amount (in Lakh) |
|---|---|---|---|
| NA | NA | NA | NA |

**50 Breach of Covenant:**

There was no breach of covenant of loans availed or debt securities issued by the company as on March 31, 2026. (March 31, 2025 : Nil)

51 Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

52 The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2026 and 31 March 2025.

53 The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2026 and 31 March 2025.

54 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

55 The Group has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the Balance sheet date. Unutilized funds as at 31 March 2026 are held by the Group in the form of deposits or in current accounts till the time the utilization is made subsequently.

56 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2026 and 31 March 2025, in the tax assessments under the Income

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2026 and 31 March 2025.

**57.** As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**58.** The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

**59.** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2026 and March 31, 2025.

**Signature to notes "1" to "55"**

As per our report of even date attached herewith
For, **Laxminiwas & Co.**
Chartered Accountants
[Firm Regd. No. 011168S]

**[Guharoy Ashish Kumar]**
Partner
[M.No. 018659]

Place: Ahmedabad
Date: May 27, 2026

For, **Arman Financial Services Limited**

**Jayendra Patel**
Whole-time Director
(DIN - 00011814)

**Vivek Modi**
Executive Director & Group CFO

**Aalok Patel**
Vice Chairman & Managing Director
(DIN - 02482747)

**Uttam Patel**
Company Secretary
(M. No. A42878)

# Statutory Reports
# NAMRA FINANCE LIMITED

# Management Discussion and Analysis

### Rural India: Powering the Next Phase of Broad-Based Growth

Rural India is home to a large and growing economy. Better roads, digital connectivity, wider access to banking, and the rise of small businesses are creating earning opportunities well beyond the farm gate. Average monthly per capita consumption in rural India stood at ₹4,122 in 2023-24, and NABARD's November 2025 survey found that around 80% of rural households reported higher consumption, with nearly 76% expecting further improvement over the following year.

Public investment is reinforcing this shift. The Union Budget allocation for Rural Development has risen from ₹87,765 Crore in FY17 to ₹2.73 Lakh Crore in FY27. Programmes like SVAMITVA are formalising property ownership, while over 10 Crore women have joined Self-Help Groups under DAY-NRLM, accessing cumulative bank credit of over ₹12 Lakh Crore. Village livelihoods are also diversifying steadily into trade, services and small enterprise.

For Namra Finance Limited, these shifts represent a clear and growing opportunity. As rural families move from basic financial inclusion towards active financial participation, their credit needs are evolving. Demand is widening from traditional microcredit towards business loans, working capital and asset finance. Namra's presence in these markets positions it well to serve this demand responsibly and at scale.

### Rural Women: The Driving Force Behind Household Prosperity

India has built one of the world's largest women-focused financial inclusion networks. Under DAY-NRLM, over 10 Crore rural women have been mobilised into around 90 Lakh Self-Help Groups, accessing cumulative bank credit of more than ₹12 Lakh Crore by February 2026. Microfinance has deepened this reach by delivering small-ticket loans directly at the doorstep.

What makes this significant is how the credit is being used. Women across rural India are channelling finance into dairy, livestock rearing, food processing, tailoring, small retail and local services. These ventures create regular income, diversify the family's livelihood base and give women a stronger voice in household financial decisions. The impact flows outward. A steady second income means better nutrition, more consistent schooling, timely healthcare and greater capacity to absorb unexpected expenses.

As a rural woman's enterprise matures, her credit needs evolve with it. She may begin with a small-group loan and gradually require working capital, equipment financing or a larger individual loan. For Namra Finance, this natural progression represents a clear and expanding opportunity to support women-led enterprise at every stage of growth.

### India's Microfinance Industry: A Necessary Reset, A Stronger Path Ahead

India's microfinance sector entered FY26 after several years of rapid expansion. That growth widened credit access considerably across rural and low-income households. It also created pockets of overleveraging, multiple lending and weakening repayment discipline. FY26 became a year of correction. The overall portfolio declined from around ₹3.75 Lakh Crore in March 2025 to approximately ₹3.38 Lakh Crore by March 2026 as lenders tightened underwriting, became more selective in borrower profiles, and sharpened their focus on collections.

The stress was largely cyclical. In several mature markets, borrowers maintained active relationships with multiple lenders, while assessing household income remained inherently difficult given the informal and seasonal nature of rural earnings. Funding conditions tightened as well, particularly for smaller institutions. Early signs of improvement were visible by the second half of the year. PAR 31-90 days improved to 1.6% in December 2025, compared to 3.2% a year earlier.

The regulatory and industry response has been constructive. The RBI's household repayment obligation framework, MFIN's Guardrails 2.0 and the reduction of the NBFC-MFI qualifying asset threshold from 75% to 60% are together steering the sector towards capacity-based lending, better credit discipline and greater product diversification.

The underlying opportunity remains substantial. The sector serves around 65 million low-income households, and demand for productive credit across women-led ventures, small businesses and rural enterprises continues to hold firm. For Namra Finance, this reset reinforces the importance of conservative underwriting, strong collections and deep customer understanding as the foundations for building a sustainable and responsible lending franchise.



### Strengths, Weaknesses, Opportunities and Threats

**Strengths**

Microfinance institutions have built deep grassroots networks across rural and semi-urban India, enabling underserved and first-time borrowers to access formal credit. The RBI's regulatory framework and Priority Sector Lending norms provide a supportive operating environment focused on responsible lending and borrower protection.

**Weaknesses**

Borrower overleveraging in certain geographies has led to elevated delinquency and higher provisioning. Portfolios remain largely unsecured, making them sensitive to agricultural volatility and local disruptions. Smaller lenders face funding cost pressures, while the high-touch, branch-led model carries inherently higher operating costs in dispersed rural markets.

**Opportunities**

Large underpenetrated Tier-III and Tier-IV markets offer significant growth potential. Digital adoption and credit bureau integration are strengthening underwriting and collections. Women-led enterprises are expanding the addressable borrower base.

**Threats**

Agricultural stress, inflation and climate-related disruptions can affect borrower repayment capacity. Competition from banks, SFBs and fintechs is intensifying across overlapping segments. Localised political interventions and expectations of loan waivers remain a recurring risk to collection discipline.

### Company overview

Namra Finance Ltd. is a wholly owned subsidiary of Arman Financial Services Ltd., which manages the group's microfinance business. Namra is registered with the Reserve Bank of India as a Non-Banking Finance Company - Microfinance Institution (NBFC-MFI). Namra provides its clients with opportunities to enhance their livelihoods and break the cycle of poverty by offering collateral-free, income-generating group loans at a reasonable rate.

**Microfinance through the JLG Model**

Namra Finance provides small-ticket loans to women in rural and semi-urban areas for income-generating activities such as livestock, dairy and kirana stores. The Company operates a Joint Liability Group-based lending structure with a monthly collection model, fully cashless disbursements and regular loan utilisation checks. Nearly 90% of the portfolio is concentrated in underpenetrated markets, significantly above the industry average. Growth follows a controlled, bottom-up approach, aligned with regional demand assessment and a conservative, risk-calibrated underwriting framework focused on portfolio quality and sustainable expansion.

Performance in FY26: The microfinance segment moved from sector-wide stress towards gradual stabilisation during FY26. The Company reported AUM of ₹1,999 Crore, disbursements of ₹1,798 Crore, total income of ₹433 Crore and Profit After Tax of ₹13 Crore. GNPA stood at 3.40% and NNPA at 0.95%. Recovery was supported by stronger field monitoring, the separation of credit and recovery functions, the expansion of digital collections, and wider CGFMU coverage. The focus remains on calibrated growth and portfolio quality over aggressive expansion.

**Individual Business Loan**

The IBL segment serves high-quality, long-tenured borrowers whose financing needs have outgrown conventional group lending. Underwriting is based on individual cash-flow assessment, business stability, repayment history and FOIR analysis through a dedicated Branch Credit Manager model. Higher-ticket loans support the growth of micro-enterprises, while technology-enabled processing, eSign integration and algorithm-based risk tools strengthen credit evaluation and operational efficiency. Disbursements follow a calibrated approach focused on portfolio quality and sustainable growth.

Performance in FY26: The IBL segment grew sharply during FY26, with AUM reaching ₹712.12 Crore and contributing nearly 26.10% to the overall portfolio. Average ticket sizes stood at around ₹82,500, supported by selective borrower acquisition, MSME-style underwriting and the Branch Credit Manager framework. The segment continues to strengthen Namra's diversification beyond the traditional JLG model.

### Financial performance

Namra Finance maintained a measured financial performance in FY26, supported by growth in its lending portfolio and an improvement in profitability. The Company remained focused on strengthening portfolio quality and maintaining a prudent balance between growth and risk.

**Key Ratios**

| Particulars | FY26 | FY25 | Remarks |
|---|---|---|---|
| Debt-Equity Ratio | 1.73 | 1.33 | Increase attributable to higher leverage during the year |
| Net Profit Margin (%) | 2.98% | 1.42% | Improvement driven by higher profitability |
| Return on Net Worth (RoNW) | 1.98% | 1.23% | Improvement driven by higher profitability |

### Internal Control System and Its Adequacy

Namra Finance maintains a comprehensive internal financial control framework aligned with the scale and nature of its operations. Controls are reviewed regularly to ensure adherence to statutory and regulatory requirements. The Audit Committee oversees the effectiveness of these systems, with a clear focus on financial accuracy, risk mitigation and governance standards.

### Human Resources

Namra's field-intensive lending model makes its people central to business performance. The Company invests in structured learning, skill development and leadership building across its workforce to deepen domain expertise and strengthen managerial capacity. Given the nature of operations, strong protocols are in place to ensure employee safety and mitigate operational risk across field functions. A performance-oriented and inclusive workplace culture supports long-term retention, capability building and consistent delivery across branches. As of 31st March 2026, the company had a manpower strength of over 3,500 employees.

### Risk Management

Namra Finance maintains a structured enterprise-wide risk management framework to identify, evaluate and proactively mitigate risks across its lending operations. The Risk Management Committee conducts periodic reviews to assess mitigation strategies and ensure alignment with the Company's strategic objectives. Key insights from these reviews are presented to the Board, reinforcing informed decision-making and a culture of risk awareness across the organisation.

### CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, plans or outlook may constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to various factors, including changes in economic conditions, regulatory requirements, interest rates, liquidity conditions, borrower repayment behaviour, asset quality trends, rural economic conditions, competition, credit costs, taxation and other internal or external factors. The Company assumes no obligation to publicly amend, modify or revise any forward-looking statements based on subsequent developments, information, or events.



# Notice

Notice is hereby given that the 14th (Fourteenth) Annual General Meeting of Namra Finance Limited will be held at registered office of the Company situated at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad -380014 Gujarat, India on Monday, September 28, 2026 at 10.30 a.m. to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, the reports of the Board of Directors and Auditors thereon.

2. To appoint a director in place of Mrs. Rita Jayendrabhai Patel (DIN: 00011818) who retires by rotation and being eligible, offers herself for reappointment.

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company.

2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Register of Members and the Share Transfer Books in respect of the Equity Shares will remain closed from Saturday, September 22, 2026 to Friday, September 28, 2026 (both days inclusive) for the purpose of AGM.

4. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.

5. In view of the sad demise of Late Shri Jayendrabhai Bhailalbhai Patel on August 25, 2026, Item in respect of retirement by rotation and re-appointment of the Shri Jayendrabhai Bhailalbhai Patel has been withdrawn from the AGM notice. The factual details as contained in the director's report and the annexures approved by the board on August 12, 2026, shall remain as it is.

For, **Namra Finance Limited**

Sd/-
**Aalok Jayendra Patel**
Chairman & Managing Director
DIN: 02482747

Date: August 25, 2026
Place: Ahmedabad

# Board's Report

Dear Members,

Your directors have pleasure in presenting the Fourteenth (**14th)** Board's Report of the Company together along with the Audited Financial Statements for the year ended March 31, 2026.

You are valued partners of the Company and we are happy to share our vision of growth with you. Our guiding principles are a blend of optimism and conservatism, which has been and will be the guiding force of all our future endeavors.

The summary of operating results for the year is presented below:

## 1. FINANCIAL PERFORMANCE

(₹in Lakhs)

| Particulars | 2025-26 | 2024-25 |
|---|---|---|
| Total Revenue | 43,287.44 | 55,237.94 |
| Finance Charges | 15,119.55 | 20,001.01 |
| Depreciation | 128.89 | 142.04 |
| Net Profit Before Tax | 2,017.03 | 1,003.84 |
| Current Tax | 96.90 | 566.00 |
| Deferred Tax (Asset)/Liability | 631.77 | (478.72) |
| Short/(Excess) provision of income tax of earlier year | - | 131.87 |
| Net Profit After Tax | 1,288.36 | 784.69 |
| Basic Earnings Per Share (In ₹) | 2.44 | 1.51 |
| Diluted Earnings Per Share (In ₹) | 2.44 | 1.51 |

## 2. OPERATIONS

Namra Finance Limited is a wholly owned subsidiary of Arman Financial Services Limited and is registered with the Reserve Bank of India as a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI). The Company is engaged in the microfinance business. The financial statements of Namra Finance Limited form part of this Annual Report and are also available in the Annual Report of Arman Financial Services Limited.

**Performance Highlights**

- AUM was ₹1998.56 Crores in FY 2025-26 as compared to ₹1685.78 Crores in FY 2024-25, increased by 18.55%
- Disbursement was ₹1797.74 Crores in FY 2025-26 as compared to ₹1231.98 Crores in FY 2024-25, increased by 45.92%
- Total income was ₹432.87 Crores in FY 2025-26 as compared to ₹552.38 Crores in FY 2024-25, decreased by 21.64%.
- Profit before taxes was ₹20.17 Crores in FY 2025-26 as compared to ₹10.04 Crores in FY 2024-25, increased by 100.90%.
- Profit for the year attributable to owners of the Company was ₹12.88 Crores in FY 2025-26 as compared to ₹7.85 Crores in FY 2024-25, increased by 64.08%.
- Basic and Diluted Earnings Per Share was ₹2.44 in FY 2025-26 as compared to ₹1.51 in FY 2024-25, increased by 61.59%.

## 3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the disclosure and reporting requirements prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on July 01, 2026), the Management Discussion and Analysis Report forms an integral part of this Annual Report.

## 5. DIVIDEND

In order to conserve capital, the Board of Directors does not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

## 6. APPROPRIATIONS

The Company proposes to transfer ₹258.00 Lakhs (previous year ₹157.00 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹1.00 Lakh (previous year ₹1.00 Lakh) to the general reserve.

## 7. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the director's report.

## 8. CREDIT RATING

During the year under review, Acuité Ratings & Research Limited (Acuite) reviewed the ratings on various bank facilities and on Non-Convertible Debentures (NCDs) of the Company. Acuité has revised its rating for long term bank facility and NCDs to "ACUITE A-"; (Outlook Stable).

(Previously Acuite A (Outlook Negative)).

CARE Ratings Limited (CARE) has reaffirmed its rating for the company for various NCDs to "CARE A-"; while revising the outlook to "Negative" (A minus; Outlook Negative).

(Previously CARE A- (minus) (Outlook Stable)).

The Grading of the company was also reaffirmed 'MFI 1' (MFI one) by CARE during the year 2025-26.

## 9. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

During the year under review, the Company has not any Subsidiary, Associate and Joint Venture Companies.

## 10. UNCLAIMED DIVIDEND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid dividend accounts appeared in balance sheet as at March 31, 2026**.**

## 11. DEPOSITS AND LOANS, GUARANTEES INVESTMENTS

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company.

Details of Loans, Guarantees and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in Note 3 and 4 to the Financial Statements.

## 12. PUBLIC DEPOSITS

The Company is Non-deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2026.

## 13. CORPORATE GOVERNANCE REPORT

Corporate Governance is designed to incorporate the best management practices, ensure regulatory and legal compliance, and uphold high ethical standards to achieve the Company's objectives. We believes that a robust corporate governance is essential for building and maintaining investor trust. Accordingly, the Company's business policies are founded on ethical conduct, transparency, professionalism, independence, and an unwavering commitment to fostering long-term, sustainable relationships with its stakeholders. Company continues to strengthen its governance practices to create sustainable long-term value, thereby ensuring ethical and responsible leadership at both the Board and Management levels.

The report on Corporate Governance as per the RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 is annexed herewith as **"Annexure-1"**

## 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with the provisions of Section 149 of the Act, with an appropriate combination of Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

As on March 31, 2026, the Board comprised 5 (Five) Directors, including the Whole time Director, Chairman & Managing Director, 1 (one) Non-Executive Directors and 2 (two) Independent Directors.

In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, of Mr. Jayendrabhai Bhailalbhai

Patel (DIN:00011814) will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

All the Independent Directors of the Company have submitted declarations confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at www.namrafinance.com Policy for Appointment of Independent Director. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

The Company appoints Directors based on defined criteria including statutory compliance, integrity, leadership qualities, relevant experience, independence, and ability to contribute effectively to the Board. The appointment process involves identification by the Chairman or Board Members, review by the Nomination and Remuneration Committee (NRC), and final approval by the Board, in line with the Company's policies.

**a) Appointment / Re-appointment**

During the last AGM held on September 29, 2025, the members approved the following:

Re-appointment of Mr. Aalok Jayendra Patel (DIN: 02482747) who retired by rotation and being eligible, offered himself for re-appointment.

Further, the Board of Directors appointed Mr. Yash Kaushik Shah (DIN: 02155636) as an Additional Independent Director of the Company with effect from February 3, 2026. The Board also redesignated Mr. Jayendrabhai Bhailalbhai Patel from Chairman & Managing Director & CEO to Whole-time Director of the Company for a term of 5 (five) consecutive years with effect from February 12, 2026 (including the pre-closure of the term of reappointment of Mr. Jayendrabhai Bhailalbhai Patel (DIN:00011814), as Managing Director & CEO approved by members at 12th Annual General Meeting dated September 27, 2024) and redesignated Mr. Aalok Jayendra Patel (DIN: 02482747) from Joint Managing Director to Chairman & Managing Director of the Company for a term of 5 (five) consecutive years with effect from February 12, 2026 (including the pre-closure of the term of reappointment of Mr. Aalok Jayendra Patel (DIN: 02482747), as Joint Managing Director approved by members at 12th Annual General Meeting dated September 27, 2024).

Subsequently, at the Extra-Ordinary General Meeting held on April 10, 2026, the Members approved (i) the appointment of Mr. Yash Kaushik Shah as an Independent Director of the Company, (ii) the re-designation of Mr. Jayendrabhai Bhailalbhai Patel as Whole-time Director of the Company, and (iii) the re-designation of Mr. Aalok Jayendra Patel as Chairman & Managing Director of the Company.

**b) Key Managerial Personnel (KMP)**

**The following officials were designated as Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act, 2013, as on March 31, 2026:**

1. Mr. Aalok Jayendra Patel (DIN: 02482747) – Chairman & Managing Director
2. Mr. Jayendrabhai Bhailalbhai Patel (DIN: 00011814) – Whole-time Director
3. Mr. Urvishkumar Mansukhbhai Karathiya – Company Secretary & Compliance Officer
4. Mr. Chirag Umeshbhai Vora – Chief Financial Officer

## 15. MEETING OF BOARD AND COMMITTEES

The Board during the financial year 2025-26 met 6 (Six) times and Audit Committee met 5 (Five) times. All the recommendations made by the Audit Committee during the year were accepted by the Board.

| Sl. No. | Name of Director | Capacity | 29-05-2025 | 13-08-2025 | 26-09-2025 | 13-11-2025 | 03-02-2026 | 12-02-2026 |
|---|---|---|---|---|---|---|---|---|
| 1. | Mr. Aalok Jayendra Patel | Chairman & Managing Director | Yes | Yes | Yes | Yes | Yes | Yes |
| 2. | Mr. Jayendrabhai B. Patel | Whole-time Director | Yes | Yes | Yes | No | Yes | Yes |
| 3. | Mrs. Ritaben Patel | Non-Executive / Non Independent Director | Yes | Yes | Yes | Yes | Yes | No |
| 4. | Mr. Pinakin Shah | Independent Director | Yes | Yes | Yes | Yes | Yes | Yes |
| 5. | Mr. Yash Kaushik Shah | Independent Director | N.A. | N.A. | N.A. | N.A. | N.A. | Yes |



**Committee Meetings and Attendance**

**Audit Committee**

Audit Committee met 5 (five) times on May 29, 2025; August 13, 2025; September 26, 2025; November 13, 2025; and February 12, 2026. The details of attendance are given below:

| Sl. No. | Name of Director | Capacity | 29-05-2025 | 13-08-2025 | 26-09-2025 | 13-11-2025 | 12-02-2026 |
|---|---|---|---|---|---|---|---|
| 1. | Mr. Pinakin Shah | Chairperson | Yes | Yes | Yes | Yes | Yes |
| 2. | Mrs. Ritaben Patel | Member | Yes | Yes | Yes | Yes | No |
| 3. | Mr. Aalok Patel | Member | Yes | Yes | Yes | Yes | Yes |
| 4. | Mr. Yash Kaushik Shah | Member | N.A. | N.A. | N.A. | N.A. | Yes |

**Nomination and Remuneration Committee (NRC)**

NRC met One (1) time on February 12, 2026. The details of attendance are given below:

| Sl. No. | Name of Director | Capacity | 12-02-2026 |
|---|---|---|---|
| 1. | Mr. Pinakin Shah | Chairperson | Yes |
| 2. | Mrs. Ritaben Patel | Member | No |
| 3. | Mr. Yash Kaushik Shah | Member | Yes |

**Corporate Social Responsibility Committee (CSR)**

CSR met One (1) time on August 13, 2025. The details of attendance are given below:

| Sl. No. | Name of Director | Capacity | 13-08-2025 |
|---|---|---|---|
| 1. | Mr. Jayendra Patel | Chairperson | Yes |
| 2. | Mr. Pinakin Shah | Member | Yes |
| 3. | Mr. Aalok Patel | Member | Yes |

**Asset and Liability Management Committee (ALCO)**

ALCO met 4 (four) times on June 26, 2025; September 26, 2025; December 30, 2025; March 28, 2026. The details of attendance are given below:

| Sl. No. | Name of Director | Capacity | 26/06/2025 | 26/09/2025 | 30/12/2025 | 28/03/2026 |
|---|---|---|---|---|---|---|
| 1. | Mr. Jayendra Patel | Chairperson | No | Yes | No | Yes |
| 2. | Mr. Aalok Patel | Member | Yes | Yes | Yes | Yes |
| 3. | Mr. Vivek Modi | Member | Yes | Yes | Yes | Yes |
| 4. | Mr. Govindrajan Moorthy | Member | Yes | Yes | Yes | Yes |

**Risk Management Committee (RMC)**

Risk Management Committee met 4 (four) times on June 26, 2025; September 26, 2025; December 30, 2025; March 28, 2026. The details of attendance are given below:

| Sl. No. | Name of Director | Capacity | 26/06/2025 | 26/09/2025 | 30/12/2025 | 28/03/2026 |
|---|---|---|---|---|---|---|
| 1. | Mr. Jayendra Patel | Chairperson | No | Yes | No | Yes |
| 2. | Mr. Aalok Patel | Member | Yes | Yes | Yes | Yes |
| 3. | Mr. Vivek Modi | Member | Yes | Yes | Yes | Yes |
| 4. | Mr. Govindrajan Moorthy | Member | Yes | Yes | Yes | Yes |

## 16. REMUNERATION POLICY

**Remuneration to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in the Board meeting, subject to the subsequent approval of the shareholders at the ensuing Annual General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such:

- Level of skill, knowledge and core competence of individual.
- Functions, duties and responsibilities.
- Company's performance and achievements.
- Compensation of peers and industry standard.

The Company may if the need arises, strike a balance between the fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal.

**Remuneration to Non-Executive Directors**

Non-Executive Directors are entitled to receive sitting fees for attending meetings of the Board and its Committees. In addition, they are reimbursed for travel and other expenses incurred in connection with the Company's affairs, including attendance at Board meetings, Committee meetings, and General Meetings.

## 17. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 & COMPLIANCE UNDER MATERNITY BENEFIT ACT 1961.

**a. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. The details regarding the complaints, complaints disposed off and cases pending are as below:

| S. No. | Particular | No. of Complaints |
|---|---|---|
| 1. | Number of complaints of sexual harassment received in the year; | Nil |
| 2. | Number of complaints disposed off during the year | Nil |
| 3. | Number of cases pending for more than ninety days | Nil |

**b. Compliance under the Maternity Benefit Act, 1961 Maternity Benefit Act, 1961.**

During the year under review, the Company is in compliance with the provisions of the Maternity Benefit Act, 1961.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

a) In the preparation of the annual accounts for the year ended on March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit and loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. AUDITORS AND AUDIT REPORTS

**a) Statutory Auditors**

As per Section 139 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and appointment procedure and eligibility criteria prescribed under the RBI Guidelines (Ref. No.DoS.CO.ARG/ SEC.01/08.91.001/2021- 22) dated April 27, 2021, M/s. Talati & Talati LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 13th Annual General Meeting of the Company to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company.

The Auditors' Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Pursuant to sub-section (12) of Section 143 of the Act, the Statutory Auditors of the Company have not reported any instances of material fraud committed in the Company by its officers or employees, except for a few instances of cheating, forgery, misappropriation and criminal breach of trust amounting to ₹24.99 Lakhs, against which the Company has recovered ₹5.89 Lakhs. These instances have been duly identified by the Company and are disclosed as Note to the Financial Statements. The Company has reported the aforesaid instances to the RBI, and necessary remedial actions, including strict legal action, have been taken against the parties involved.

**b) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the members of the Company at the 13th Annual General Meeting (AGM) held on September 29, 2025, approved the appointment of M/s GKV & Associates, Practicing Company Secretary (Firm Registration No S2018GJ565600, Peer Review Certificate No.:2136/2022) to undertake the Secretarial Audit of the Company for the term of 5 (five) consecutive years commencing from the conclusion of 13th AGM till the conclusion of the 18th AGM of the Company to be held in the year 2030.

M/s GKV & Associates., Practicing Company Secretary have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment is within the limits specified by the Institute of Company Secretaries of India. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of the provisions of the Act & the rules made thereunder, and the SEBI Regulations.

The Secretarial Audit Report for the financial year ended March 31, 2026, in Form MR-3 forms part of this Annual Report as Annexure – 2. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**Secretarial Standard**

During the year 2025-26 , the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**c) Internal Auditors**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. M/s GBP & Associates, Ahmedabad-Gujarat (FRN:141678W) has been appointed as an Internal Auditors for FY 2026-27 in the Board Meeting held on May 27, 2026.

The Company has also an internal audit department headed by Internal Auditor, Mr. Nitesh Mishra (up to May 31, 2026). The internal audit department assesses and contribute the improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. The internal audit team follows Risk Based Internal Audit which helps the organization to identify the risks and address them accordingly based on the risk priority and direction provided by the Board of Directors. The Internal audit reports are presented to the Audit Committee of the Board on a quarterly basis. Based on the reports of the internal audit team, the process owners undertake corrective action in their respective areas. With effect from June 09, 2026, Mr. Pushpendra Kumar was appointed as Interim Head – Internal Audit and designated as Senior Management Personnel. Subsequently, with effect from August 12, 2026, he has been re-designated as Head – Internal Audit.

**d) Cost Auditors**

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining of cost audit records does not apply to the Company.

## 20. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

## 21. RISK MANAGEMENT

The Company has in place a well-defined risk management framework, through which the Board of Directors is periodically updated on the key deliberations and actions taken by the Risk Management Committee. This ensures that potential risks are identified, assessed, and mitigated through appropriate management controls embedded within the business processes.

As the Company progresses towards its strategic and business objectives, it is exposed to various types of risks, including Credit Risk, Liquidity Risk, Cyber Security Risk, operational, financial, regulatory, and reputational risks. The Risk Management Committee plays a pivotal role in evaluating these risks and advising the Board accordingly.

Risk management is central to our business philosophy, and maintaining the right risk-return trade-off, in line with our defined risk appetite, is integral to our approach. The Company endeavors to optimize returns while prudently managing the associated risks, thereby safeguarding stakeholder value and supporting sustainable growth.

## 22. INTERNAL FINANCIAL CONTROLS

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control 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.

The Company has established an adequate system of internal financial controls (IFC). These controls are designed to ensure the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy of accounting records, and the timely preparation of reliable financial information.

The internal control systems are continually assessed by the Internal Audit function and the Audit Committee of the Board. Based on these evaluations, the Board confirms that the internal financial controls with reference to the financial statements were adequate and operating effectively during the financial year 2025-26.

The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Financial Statements.

## 23. DEBENTURE TRUSTEE:

| Name of the Debenture Trustee | Address & Contact Details |
|---|---|
| Vardhman Trusteeship Private Limited | The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051<br>**Tel**: 022-4264 8335<br>**E-mail:** compliance@vardhmantrustee.com<br>**Website:** www.vardhmantrustee.com |

## 24. PERFORMANCE EVALUATION

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

**Manner of Evaluation**

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board as a whole, individual directors and its various Committees is being made.

It includes circulation of evaluation response / feedback sheet separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Managing Director / Chief Executive Officer / Whole time Director / Chairperson of the Company.

The evaluation of Board as a whole, individual directors and its various Committees is being carried out by the Nomination & Remuneration Committee of the Company and subsequently it gives the report of evaluation to the Board for review.

## 25. WHISTLE BLOWER POLICY

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. It is hereby affirmed that no personnel has been denied access to the Audit Committee during the financial year under review.

## 26. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the website of the Company at https://namrafinance.com/corporategovernance.aspx ? Corporate Social Responsibility Policy.

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at **"Annexure-3"**

## 27. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Act, a copy of the Annual Return in form MGT-7 for the Company for the financial year 2025-26 is available on the website of the Company at https://namrafinance.com/QuaterlyAnnualReports.aspx ? Annual Return 2025-26.

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

**A. Conservation of energy and Technology absorption:**

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

**B. Foreign exchange earnings and outgo:**

There were no foreign exchange earnings during the year (previous year also Nil) while the expenditure in foreign currency by the Company during the year was USD equivalent of ₹Nil/- (previous year: ₹Nil) towards the due diligence fees.

## 29. SHARE CAPITAL & DEBENTURES

- **Authorized Share Capital:**

  The authorised share capital of the Company as on March 31, 2026 was ₹60,00,00,000/- divided into 6,00,00,000 ordinary equity shares of ₹10/- each.

- **Paid up Share capital:**

  As on March 31, 2026, the Company's paid-up Equity Share Capital was ₹52,86,00,000/-divided into 5,28,60,000 Equity Shares of ₹10/- each.

- **Non-Convertible Debentures Redeemed/Issued during the Financial Year 2025-26 and Outstanding as at March 31, 2026.**

| Sr No. | ISIN | Date of Allotment | Coupon Rate | No. of NCDs Originally Issued | Face Value per NCD (₹) | Original Aggregate Amount (₹ Cr.) | Principal Outstanding as at April 01, 2025 (₹ in cr.) | Principal Redeemed between April 01, 2025 to March 31, 2026 (₹ in cr.) | Principal Outstanding as at March 31, 2026 (₹ in cr.) | Maturity Schedule |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | INE229U07111 | 27/12/2023 | 11.60% | 45,650 | 10,000 | 45.65 | 45.65 | 45.65 | Redeemed on 08/05/2025 | 99.99% on 08/05/2025 \| 0.01% on 13/06/2027 |
| 2 | INE229U07129 | 24/05/2024 | 11.95% | 1,750 | 1,00,000 | 17.5 | 17.5 | 17.5 | Redeemed on 20/08/2025 | 20/08/2025 – Full Redemption |
| 3 | INE229U07095* | 26/06/2023 | 12.20% | 4,028 | 1,00,000 | 40.28 | 40.28 | - | 40.28 | 99.99% on 26/06/2026 \| 0.01% on 26/06/2028 |
| 4 | INE229U07103* | 25/08/2023 | 11.95% | 4,000 | 1,00,000 | 40.00 | 18.18 | 14.55 | 3.63 | On quarterly basis from 25/11/2023 to 25/05/2026 |
| 5 | INE229U07137* | 24/05/2024 | 11.00% | 7,500 | 1,00,000 | 75.00 | 75.00 | 45.00 | 30.00 | 24/11/2025 – 30%<br>24/02/2026 – 30%<br>24/05/2026 – 40% |
| 6 | INE229U07145 | 30/10/2025 | 11.35% | 50,000 | 10,000 | 50.00 | - | - | 50.00 | 05/11/2027 – Full Redemption |
| 7 | INE229U07152 | 12/11/2025 | 11.40% | 4,000 | 1,00,000 | 40.00 | - | 10.00 | 30.00 | On quarterly basis from 31/12/2025 to 11/11/2027 |
| 8 | INE229U07160 | 30/12/2025 | 11.35% | 10,000 | 1,00,000 | 100.00 | - | - | 100.00 | 30/09/2027 – 50%<br>30/12/ 2027 – 50% |
| 9 | INE229U07178 | 11/03/2026 | 11.25% | 15,000 | 1,00,000 | 150.00 | - | - | 150.00 | 11/03/2028 – 30%<br>11/06/2028 – 30%<br>11/09/2028 – 40% |

* NCD have been redeemed on June 26, 2026 (Early Redemption as per terms Sheet), May 25, 2026 and May 24, 2026 respectively.



**Debenture Terms & Listing:** All debentures are rated, senior, secured, transferable, redeemable, and non-convertible in nature, and are listed on the Wholesale Debt Market (WDM) segment of BSE Limited.

- **Buy Back of Securities:**

  The Company has not bought back any of its securities during the year under review.

- **Sweat Equity:**

  The Company has not issued any Sweat Equity Shares during the year under review.

- **Bonus Shares:**

  No Bonus Shares were issued during the year under review.

- **Equity Share**

  During the Financial year 2025-26, the Company has not allotted any equity shares. Consequently, there has been no change in the capital structure.

## 30. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

There is no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## 31. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no proceeding initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

## 32. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

The Company has not made any such valuation during the FY26.

## 33. GRATITUDE & ACKNOWLEDGEMENT

The Board places on record its sincere appreciation and gratitude to all employees, customers, suppliers, investors, lenders, regulatory and government authorities, and the stock exchanges for their continued support and cooperation. The Board looks forward to their sustained association and support in the future.

For, and on behalf of the Board of Directors of
**Namra Finance Limited**

Date: August 12, 2026
Place: Ahmedabad

**Aalok Jayendra Patel**
Chairman & Managing Director
DIN: 02482747

# Annexure- 1

## Corporate Governance Report

### 1. COMPOSITION OF THE BOARD OF DIRECTORS

| Sl. No | Name of Director | Director Since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | DIN | Number of Board Meetings | | No. of other Directorships (Including this Company) | Remuneration | | | No. of shares held in and convertible instruments held in the Company |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Held | Attended | | Salary and other compensation | Sitting Fee | Commission | |
| 1. | Mr. Aalok Jayendra Patel | 27-03-2012 | Executive / Chairman & Managing Director | 02482747 | 6 | 6 | 2 | 53.04 | - | - | 200 |
| 2. | Mr. Jayendrabhai B. Patel | 27-03-2012 | Executive / Whole-time Director | 00011814 | 6 | 5 | 2 | 65.00 | - | - | 200 |
| 3. | Mrs. Ritaben Patel | 14-11-2016 | Non-Executive / Woman Director | 00011818 | 6 | 5 | 2 | - | 0.90 | - | 100 |
| 4. | Mr. Pinakin Shah | 14-08-2024 | Independent Director | 00007695 | 6 | 6 | 2 | - | 1.00 | - | Nil |
| 5. | Mr. Yash Kaushik Shah | 03-02-2026 | Independent Director | 02155636 | 1 | 1 | 4 | - | 0.30 | - | Nil |

During the financial year, the Board of the Company met Six times on May 29, 2025, August 13, 2025, September 26, 2025, November 13, 2025, February 03, 2026 and February 12, 2026. The time gap between any two consecutive Board Meetings did not exceed 120 days.

### 2. Details of change in composition of the Board during the current and previous financial year.

**a. Changes During the Current Financial Year (FY 2025-26)**

| Sl. No. | Name of Director | Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent) | Nature of change (resignation, appointment) | Effective date |
|---|---|---|---|---|
| 1. | Mr. Yash Kaushik Shah | Independent Additional Director | Appointment (as an Additional Independent Director) in Board Meeting | February 03, 2026 |
| 2. | Mr. Aalok Jayendra Patel | Chairman & Managing Director | Re-designation (from Joint Managing Director) | February 12, 2026 |
| 3. | Mr. Jayendrabhai B. Patel | Whole-time Director | Re-designation (from Chairman, MD & CEO) | February 12, 2026 |
| 4. | Mr. Yash Kaushik Shah | Independent Director | Regularised (as an Independent Director) in Extra-ordinary General Meeting | February 03, 2026 |

**b. Changes During the Previous Financial Year (FY 2024-25)**

| Sl. No. | Name of Director | Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent) | Nature of change (resignation, appointment) | Effective date |
|---|---|---|---|---|
| 1. | Mr. R.K. Nagpal | Independent Director | Cessation (Completion of tenure) | 01/07/2024 |
| 2. | Mr. Pinakin Surendrai Shah | Independent Director | Appointment (as an Additional Independent Director) in Board Meeting | 14/08/2024 |
| 3. | Mr. Jayendrabhai B. Patel | Executive Director (MD & CEO) | Re-appointment (for a tenure of 5 years) | 21/08/2024 |
| 4. | Mr. Aalok Jayendra Patel | Executive Director (Joint Managing Director) | Re-appointment / Appointment (for 5 years) | 21/08/2024 |

**i. Committees of the Board and their composition**

The Board of Directors has established the following functional committees:

1. Audit Committee
2. Risk Management Committee
3. Asset and Liability Management Committee
4. Corporate Social Responsibility Committee
5. Nomination and Remuneration Committee
6. Finance and Investment Committee

### 3.1 Audit Committee

**Summarised Terms of Reference:** Oversight of financial reporting, recommendation for statutory auditor appointment, review of internal controls, and verification of quarterly/annual financial data.

**Composition and Attendance Details**

| Sl. No. | Name of Director | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | | | Held | Attended | |
| 1. | Mr. Pinakin Shah | 14-08-2024 | Chairperson / Independent Director | 5 | 5 | Nil |
| 2. | Mrs. Ritaben Patel | 14-11-2016 | Member / Non-Executive Director | 5 | 4 | 100 |
| 3. | Mr. Aalok Patel | 24-10-2013 | Member / Executive Director | 5 | 5 | 200 |
| 4. | Mr. Yash Kaushik Shah | 12-02-2026 | Member / Independent Director | 1 | 1 | Nil |

**Note**: During the FY 2025-26, The Audit Committee was reconstituted in Board Meeting held on February 12, 2026 due to appointment of Mr, Yash Shah as an Independent Director in Board Meeting held on February 03, 2026 and Board has decided to appoint him as a member in the Audit Committee.

During the financial year, the Audit Committee of the Company met five times on May 29, 2025, August 13, 2025, September 26, 2025, November 13, 2025, and February 12, 2026. The time gap between any two consecutive Board Meetings did not exceed 120 days.

### 3.2 Risk Management Committee

**Summarised Terms of Reference:** Reviewing structural microfinance risk exposure, portfolio tracking under the JLG model, and systemic asset monitoring.

| Sl. No. | Name of Director | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | | | Held | Attended | |
| 1. | Mr. Jayendra Patel | 27-04-2018 | Chairperson / Whole-time Director | 4 | 2 | 200 |
| 2. | Mr. Aalok Patel | 27-04-2018 | Member / Chairman & Managing Director | 4 | 4 | 200 |
| 3. | Mr. Vivek Modi | 27-04-2018 | Member / Group Chief Financial Officer | 4 | 4 | Nil |
| 4. | Mr. Govindrajan Moorthy | 14-08-2024 | Member / Chief Risk Officer | 4 | 4 | Nil |

During the Financial year, The Risk management Committee met 4 (four) times on June 26, 2025, September 26, 2025, December 30, 2025 and March 28, 2026.

### 3.3 Asset and Liability Management Committee (ALCO)

**Summarised Terms of Reference:** Managing liquidity gaps, analyzing interest rate risk sensitivities, and maintaining structural liquidity profile boundaries as per RBI targets.

| Sl. No. | Name of Director | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | | | Held | Attended | |
| 1. | Mr. Jayendra Patel | 27-04-2018 | Chairperson / Whole-time Director | 4 | 2 | 200 |
| 2. | Mr. Aalok Patel | 27-04-2018 | Member / Chairman & Managing Director | 4 | 4 | 200 |
| 3. | Mr. Vivek Modi | 27-04-2018 | Member / Group Chief Financial Officer | 4 | 4 | Nil |
| 4. | Mr. Govindrajan Moorthy | 14-08-2024 | Member / Chief Risk Officer | 4 | 4 | Nil |

During the Financial year, The Asset and Liability Management Committee met 4 (four) times on June 26, 2025, September 26, 2025, December 30, 2025 and March 28, 2026.

### 3.4 Corporate Social Responsibility (CSR) Committee

**Summarised Terms of Reference:** Formulating, recommending, and assessing implementation parameters for projects under Schedule VII framework allocations.

| Sl. No. | Name of Director | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | | | Held | Attended | |
| 1. | Mr. Jayendra Patel | 08-02-2016 | Chairman / Whole-time Director | 1 | 1 | 200 |
| 2. | Mr. Aalok Patel | 05-08-2017 | Member / Chairman & Managing Director | 1 | 1 | 200 |
| 3. | Mr. Pinakin Shah | 14-08-2024 | Member / Independent Director | 1 | 1 | Nil |

During the Financial year under review, The Corporate Social Responsibility Committee met 1 (one) time on August 13, 2025.



### 3.5 Nomination and Remuneration Committee (NRC)

**Summarised Terms of Reference:** Determining criteria for Board composition, evaluation loops, positive attributes, and enforcing RBI Fit and Proper declarations.

The Nomination and Remuneration Committee has been constituted by Board in the Meeting of Board of Directors in February 03, 2026 and met One (one) time on February 12, 2026.

| Sl. No. | Name of Director | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | | | Held | Attended | |
| 1. | Mr. Yash Kaushik Shah | 03-02-2026 | Chairperson / Independent Director | 1 | 1 | Nil |
| 2. | Mrs. Ritaben Patel | 03-02-2026 | Member / Non-Executive Director | 1 | 1 | 100 |
| 3. | Mr. Pinakin Shah | 03-02-2026 | Member / Independent Director | 1 | 1 | Nil |

### 3.6 Finance and Investment Committee

The Finance & Investment Committee comprises Mr. Aalok Patel as Chairman, Mr. Jayendra Patel and Mr. Vivek Modi as Member. The Committee meets periodically, as required, to discharge its responsibilities and oversee matters within the scope of its Terms of Reference. The Committee reviews and deliberates on financial and investment matters and ensures appropriate oversight in accordance with the applicable policies and regulatory requirements.

**Note: The terms of reference of all applicable Committees of the Company are in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable guidelines/directions issued by the Reserve Bank of India (RBI), as amended from time to time.**

### 4. General Body Meetings

| Sl. No. | Type of Meeting (Annual/ Extra-Ordinary) | Date and place | Special resolutions passed |
|---|---|---|---|
| 1. | Annual General Meeting (13th AGM) | September 29, 2025<br>Place: Registered Office of the Company (Ahmedabad) | - |
| 2. | Extra-Ordinary General Meeting | April 10, 2026<br>Place: Registered Office of the Company (Ahmedabad) | 1. Approval for re-designation of Mr. Jayendrabhai B. Patel to Whole-time Director.<br>2. Approval for re-designation of Mr. Aalok Jayendra Patel to Chairman & Managing Director.<br>3. Regularization the appointment of Mr. Yash Kaushik Shah as an Independent Director. |

### 5. Details of non-compliance with requirements of Companies Act, 2013

During the year under review, there has been no default in compliance with the requirement of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

**6. Details of penalties and strictures**

During the year under review, no penalties or stricture has been imposed on the Company by the Reserve Bank of India or any other statutory authority.

**7. Breach of Covenant**

During the financial year, the Company had certain breaches of financial covenants in respect of its listed Non-Convertible Debentures (NCDs). Out of the outstanding ISINs, a covenant breach was recorded in respect of one ISIN, which was duly intimated to the Debenture Trustee and the Stock Exchanges in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said ISIN was subsequently redeemed in full on May 24, 2026.

The Company had sought the necessary waiver from the respective debenture holders, and the requisite waiver was received. Except for the aforesaid ISIN, no other covenant breach was recorded in respect of the remaining outstanding ISINs during the financial year.



Annexure-2

# FORM NO. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
**Namra Finance Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Namra Finance Limited (CIN: U65999GJ2012PLC069596) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2026 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
   i. The Reserve Bank of India Act, 1934,

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that:**

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that:**

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the MD/CEO and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**As informed,** the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

**We further report that:**

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. referred above.

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C.P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084855

**Note:** This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



# Annexure-A

To,
The Members,
**Namra Finance Limited**

Our report of even date is to be read along with this letter.

**Management Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Auditors Responsibility:**

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 12.08.2026

For, **GKV & Associates,**
Company Secretary

**Gautam Virsadiya**
Proprietor
C.P. No. / F.C.S. No.: 19866/ 12366
UDIN: F012366H001084855

# Annexure-3

## CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 134(3)(o)of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. Brief outline of Companies CSR Policy:**

Namra Finance Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

**2. Composition of CSR Committee:**

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

| SRN | Name of Director | Designation of the Committee | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Jayendra Patel | Chairman | 1 | 1 |
| 2. | Mr. Aalok Patel | Member | 1 | 1 |
| 3. | Mr. Pinakin Shah | Member | 1 | 1 |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.namrafinance.com

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

**5. (a) Average net profit of the Company as per section 135(5):** ₹ 93,51,22,557/-

**(b) Two percent of average net profit of the company as per section 135(5):** ₹ 1,87,02,451/-

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

**(d) Amount required to be set off for the financial year, if any:** Nil

**(e) Total CSR obligation for the financial year :** ₹ 1,87,02,451/-

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 1,87,02,791/-

**(b) Amount spent in Administrative Overheads:** Nil

**(c) Amount spent on Impact Assessment, if applicable:** Nil

**(d) Total amount spent for the Financial Year [(a)+ (b) +(c)].:** ₹ 1,87,02,791/-



**(e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year | Amount Unspent: Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount Unspent: Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
|---|---|---|---|---|---|
| | Amount | Date of Transfer | Name of Fund | Amount | Date of Transfer |
| ₹ 1,87,02,791/- | - | - | - | - | - |

**(f) Excess amount for set-off, if any:**

| Sr. No. | Particular | Amount (in ₹) |
|---|---|---|
| i. | Two percent of average net profit of the company as per sub-section (5) of section 135 | ₹ 1,87,02,451/- |
| ii. | Amount set-off for the Financial Year | Nil |
| iii. | Amount to be spent for the Financial Year [(i)-(ii)] | ₹ 1,87,02,451/- |
| iv. | Total amount spent for the Financial Year | ₹ 1,87,02,791/- |
| v. | Excess amount spent for the Financial Year [(iv)-(iii)] | ₹ 340/- |
| vi. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| vi. | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | ₹ 340/- |

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

| SRN | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of Transfer | |
| 1. | 2024-25 | - | - | - | - | - | - |
| 2. | 2023-24 | - | - | - | - | - | - |
| 3. | 2022-23 | - | - | - | - | - | - |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable

**For, Namra Finance Limited**

**Jayendra Patel**
Whole time Director &
Chairman of CSR Committee
DIN-00011814

Place: Ahmedabad
Date : August 12, 2026

# Financial Statements

## NAMRA FINANCE LIMITED



# Independent Auditor's Report

To
The Members of
**Namra Finance Limited**
Ahmedabad

**Report on the Audit of the Standalone Financial Statements**

### Opinion

1. We have audited the accompanying Standalone Financial Statements of **NAMRA FINANCE LIMITED** ("the Company") which comprise the Balance Sheet as at **31st March 2026,** the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 , its Profit, Other Comprehensive Income, its Cash Flows and 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 (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further, described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statement.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional, judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit, of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

   Key audit matters identified in our audit are as follows:

   **A) Provision for Expected Credit Losses on loans**

   [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| As at 31st March, 2026, outstanding Loans of ₹1,52,057.77 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise allowance for expected credit losses on loans.<br>Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at 31st March, 2026. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events.<br>The management has recognized a reversal of provision of ₹4183.77 Lakhs in the Statement of Profit and Loss for the year ended 31st March, 2026.<br>Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. | Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following:<br>(a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based;<br>(b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used;<br>(c) developing a point estimate by making reference to the expected credit losses recognised by entities that carry comparable loans portfolio;<br>(d) testing the arithmetical calculation of the expected credit losses;<br>(e) verifying the adequacy of the related disclosures; and<br>(f) Obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable. |

**B) Information Technology (IT) General Controls and Application Controls over Financial Reporting:**

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.<br>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.<br>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter. | Our audit procedures on test check basis included the following:<br>1. The aspects covered in the IT General Control audit were<br>(i) User Access Management<br>(ii) Program Change Management<br>(iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls.<br>2. Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting.<br>3. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and reperformance.<br>4. Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. |



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

5. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information 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 express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 and as may be legally advised.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. 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 SAs 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.

10. As part of an audit in accordance with SAs, 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 system 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 management's 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.
- 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.

11. 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.

12. 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.

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

### Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the 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.

15. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report 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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone financial statements dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statement.

g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

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 has disclosed the impact of pending litigations on its financial position in the standalone financial statements; (Refer Note 32 to the standalone financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts , 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 Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as mentioned at para (iv)(i) and (iv)(ii) above, contain any material mis-statement.

v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.

vi. Based on our examination, the company has used an 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention from the date of implementation of edit log feature.

**For Talati & Talati LLP**
Chartered Accountants
Firm Reg. No: 110758W/W100377

**Kushal Talati**
Partner
Mem. No. 188150
UDIN: 26188150ACKGIU8759

Place: Ahmedabad
Date: 27/05/2026

# Annexure "A" to Independent Auditor's Report

Referred to in paragraph 14 of our report of even date to the Members of **NAMRA FINANCE LIMITED** for the year ended **31st March, 2026**.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

**1. In respect of Property, Plant and Equipment :**

(a) (i)The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments ("PPE").

(ii)The Company has maintained proper records showing full particulars of intangible assets

(b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties company (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.

(d) During the year, the company has not revalued its Property, Plant & Equipments or intangible assets.

(e) No proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

**2. In respect of its Inventories :**

(a) The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of Companies (Auditor's Report) Order, 2020 (the 'Order') is not applicable.

(b) During the year, the company has not availed sanctioned working capital limit in excess of ₹5 Crores from banks on the basis of security of current assets.

**3. In respect of Loans and Advances granted during the year:**

(a) The Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934, ('RBI Act'") in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Financial Company(NBFC), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹5424.22 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)e of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment hence reporting under clause 3(iii)(f) of the Order is not applicable.

**4. Loans, Investments and Guarantees:**

The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 (the 'Act') with respect to loans or advances in the nature of loans, investments made, guarantees provided and securities given.

**5. In respect of Deposits:**

During the year, the company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of the Order is not applicable.

**6. In Respect of Cost Records:**

The Company is not required to maintain cost records as required by the central government under sub section (1) of section 148 of the Act, hence clause (vi) of the Order is not applicable.

**7. In respect of Statutory Dues :**

(a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect above referred statutory dues which were outstanding as at 31st March, 2026 for a period of more than six months from the date they became payable.

(b) There were no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues which have not been deposited on account of any dispute except.

| | Nature of Dues | Amount (₹ In Lacs) | Period to Which amount Relates | Forum Where Dispute is Pending | Remarks, if any |
|---|---|---|---|---|---|
| Goods and Service Tax Act | GST | 3.34 | F.Y. 2017-18 | The GST Commissioner (Appeal) State Tax ,Roorkee | --- |

**8. In Respect of Undisclosed Income Discovered in Income tax Assessment:**

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of the Order is not applicable to the company.

9. **In respect of Repayment of Loans:**

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.

(b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders.

(c) The term loans taken during the year were applied for the purpose for which they were obtained.

(d) The company has not utilized any funds raised on short term basis for long term purpose.

(e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3 (ix)(e) of the Order is not applicable to the Company.

(f) The company has not has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Order is not applicable to the Company.

10. **In Respect of Public Offerings:**

(a) The Company has utilized the money raised by way of Non-Convertible Debentures during the year, for the purpose for which they were raised. The company has not defaulted in repayment of the same.

(b) The company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11. (a) We report that no material fraud by the Company or any material fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit except fraud during the year by employees of C24.99 Lakhs against which company has recovered C5.89 Lakhs.

(b) No report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.

(c) No whistle-blower complaints were received during the year by the company upto the date of this report.

12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Order are not applicable to the Company.

13. The company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the Act.

14. **In Respect of Internal Audit System:**

(a) The company has an internal audit system commensurate with the size and nature of its business.

(b) During the course of our audit, we have considered, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. The Company has not entered in to any non-cash transactions with its directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

16. **In Respect to the Provisions of RBI Act 1934:**

(a) The Company is registered under section 45-IA of RBI Act, 1934, and registration certificate for the same has been obtained.

(b) The company is carrying Non-Banking Financial activities with a valid certificate of Registration.

(c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Order is not applicable to the company.

17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Order is not applicable to the company.

18. There has been no resignation of the statutory auditors during the year under consideration. Accordingly, clause (xviii) of the Order is not applicable to the company.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans 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 that the 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.

20. **In respect of Unspent Corporate Social Responsibility:**

There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Talati & Talati LLP**
Chartered Accountants
Firm Reg. No: 110758W/W100377

**Kushal Talati**
Partner
Mem. No. 188150
UDIN: 26188150ACKGIU8759

Place: Ahmedabad
Date: 27/05/2026

# Annexure "B" to Independent Auditor's Report

Referred to in paragraph 15 (f) of our Report of even date to the Members of **NAMRA FINANCE LIMITED** for the year ended **31st March, 2026.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

## Opinion

We have audited the internal financial controls over financial reporting of NAMRA FINANCE LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting 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.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 its business, including adherence to 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 Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Talati & Talati LLP**
Chartered Accountants
Firm Reg. No: 110758W/W100377

**Kushal Talati**
Partner
Mem. No. 188150
UDIN: 26188150ACKGIU8759

Place: Ahmedabad
Date: 27/05/2026

# Balance Sheet

as at March 31, 2026 (₹ in Lakhs)

| Particulars | | | Note No. | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **Financial Assets** | | | | |
| | (a) | Cash and cash equivalents | 1 | 1,294.05 | 6,294.09 |
| | (b) | Bank Balance other than (a) above | 2 | 23,943.78 | 26,669.24 |
| | (c) | Loans | 3 | 1,52,057.77 | 1,15,951.57 |
| | (d) | Investments | 4 | 2,110.38 | 3,897.15 |
| | (e) | Other Financial assets | 5 | 2,261.93 | 3,708.55 |
| **(2)** | **Non-financial Assets** | | | | |
| | (a) | Current tax Assets (Net) | 6 | 582.84 | 446.56 |
| | (b) | Deferred tax Assets (Net) | 7 | 1,412.54 | 1,919.24 |
| | (c) | Property, Plant and Equipment | 8 | 389.83 | 438.47 |
| | (d) | Other Intangible assets | 8 | 12.06 | 20.64 |
| | (e) | Right-of-Use Assets | 8 | 218.44 | 105.21 |
| | (f) | Other non-financial assets | 9 | 308.13 | 98.40 |
| | **Total Assets** | | | **1,84,591.75** | **1,59,549.12** |
| **LIABILITIES AND EQUITY** | | | | | |
| **LIABILITIES** | | | | | |
| **(1)** | **Financial Liabilities** | | | | |
| | (a) | **(I) Trade Payables** | 10 | | |
| | | (i) total outstanding dues of micro enterprises and small enterprises | | 26.81 | 52.42 |
| | | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.62 | 49.73 |
| | (b) | Debt Securities | 11 | 40,142.02 | 19,497.52 |
| | (c) | Borrowings (Other than Debt Securities) | 12 | 71,248.88 | 64,468.40 |
| | (d) | Subordinated Liabilities | 13 | 1,000.00 | 1,000.00 |
| | (e) | Other financial liabilities | 14 | 6,530.07 | 10,264.08 |
| **(2)** | **Non-Financial Liabilities** | | | | |
| | (a) | Provisions | 15 | 371.06 | 216.26 |
| | (b) | Other non-financial liabilities | 16 | 201.95 | 166.47 |
| **(3)** | **EQUITY** | | | | |
| | (1) | Equity Share capital | 17 | 5,286.00 | 5,286.00 |
| | (2) | Other Equity | 18 | 59,748.33 | 58,548.24 |
| | **Total Liabilities and Equity** | | | **1,84,591.75** | **1,59,549.12** |

See accompanying notes to the financial statements 1 to 51

As per our report of even date attached herewith
For, **Talati & Talati LLP**,
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

**[Kushal Talati]**
Partner
[M.No.188150]

Place: Ahmedabad
Date: May 27, 2026

**For & on behalf of the Board of Directors of**
**Namra Finance Limited**

**Jayendra Patel**
Whole-time Director
(DIN -00011814)

**Chirag Vora**
Chief Financial Officer

**Aalok Patel**
Chairman & Managing Director
(DIN - 02482747)

**Urvish Karathiya**
Company Secretary
(M.No. A69313)



# Statement of Profit & Loss

for the year ended March 31, 2026 (₹ in Lakhs)

| | Particulars | Note No. | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
|---|---|---|---|---|
| **(1)** | **Revenue from operations** | | | |
| | Interest Income | 19 | 37,382.92 | 44,894.71 |
| | Gain on assignment of Financial Assets | 20 | 2,978.05 | 4,039.36 |
| | Fees and Commission Income | 21 | 2,541.50 | 1,985.57 |
| | Net gain on Fair Value Changes | 22 | 384.90 | 643.29 |
| | **Net Gain on Sale of financial instrument** | 23 | - | 3,675.00 |
| | **Total Revenue from operations (1)** | | **43,287.38** | **55,237.94** |
| (2) | Other Income | 24 | 0.07 | - |
| **(3)** | **Total Income (1+2)** | | **43,287.44** | **55,237.94** |
| **(4)** | **Expenses** | | | |
| | Finance Costs | 25 | 15,119.55 | 20,001.01 |
| | Impairment of Financial Assets | 26 | 12,325.63 | 23,523.57 |
| | Employee Benefits Expenses | 27 | 9,361.35 | 7,538.38 |
| | Depreciation and Amortization | 28 | 128.89 | 142.04 |
| | Others expenses | 29 | 4,334.99 | 3,029.10 |
| | **Total Expenses (4)** | | **41,270.41** | **54,234.10** |
| **(5)** | **Profit / (loss) before exceptional items and tax (3-4)** | | **2,017.03** | **1,003.84** |
| | (1) Current Tax | 30 | 96.90 | 566.00 |
| | (2) Short/(excess) Provision of Income Tax/Deferred Tax of earlier years | 30 | - | 131.87 |
| | (3) Deferred Tax Liability / (Assets) | 30 | 631.77 | (478.72) |
| | **Total Expenses (4)** | | **728.67** | **219.15** |
| **(7)** | **Profit/(loss) for the period (5-6)** | | **1,288.36** | **784.69** |
| **(8)** | **Other Comprehensive Income** | | | |
| | (A) (i) Items that will not be classified to Profit or loss | | | |
| | - Remeasurement of Defined Benefit Obligations-Income/(Expense) | | 34.48 | 20.55 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (8.68) | (5.17) |
| | **Subtotal (A)** | | **25.80** | **15.38** |
| | (B) (i) Items that will be reclassified to profit or loss | | | |
| | - Fair Value Gain/(loss) on financial Assets measured through OCI | | (531.43) | 233.89 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | 133.75 | (58.87) |
| | **Subtotal (B)** | | **(397.68)** | **175.02** |
| | **Other Comprehensive Income (A + B)** | | **(371.88)** | **190.40** |
| **(9)** | **Total Comprehensive Income for the period (7+8) (Comprising Profit (Loss) and other Comprehensive Income for the period)** | | 916.48 | 975.09 |
| **(10)** | **Earnings per equity share (Face Value ₹10 per Equity Share)** | | | |
| | Basic (₹) | 31 | 2.44 | 1.51 |
| | Diluted (₹) | 31 | 2.44 | 1.51 |

See accompanying notes to the financial statements 1 to 51

As per our report of even date attached herewith
For, **Talati & Talati LLP**,
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

**[Kushal Talati]**
Partner
[M.No.188150]

Place: Ahmedabad
Date: May 27, 2026

**For & on behalf of the Board of Directors of**
**Namra Finance Limited**

**Jayendra Patel**
Whole-time Director
(DIN -00011814)

**Chirag Vora**
Chief Financial Officer

**Aalok Patel**
Chairman & Managing Director
(DIN - 02482747)

**Urvish Karathiya**
Company Secretary
(M.No. A69313)

# Cash Flow Statement

for the year ended March 31, 2026 (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 | |
|---|---|---|---|---|
| **A: Cash from Operating Activities:** | | | | |
| Net profit before taxation | | 2,017.03 | | 1,003.84 |
| **Adjustment For:** | | | | |
| Depreciation and amortisation | 90.33 | | 105.77 | |
| Depreciation on Right of Use Assets | 38.56 | | 36.27 | |
| Interest Income | (37,382.92) | | (44,894.71) | |
| Net gain on investment instruments measured through profit and loss | - | | (61.59) | |
| Finance cost | 15,119.55 | | 20,001.01 | |
| Provision for impairment on financial assets | (4,183.77) | | 1,643.73 | |
| Net Loss on Derecognition of Intangible Assets | - | | - | |
| (Profit) / loss on sale of property, plant and equipment | (0.07) | | - | |
| Gain On Assignment of Assets(Net of Expense) | (2,978.05) | | (4,039.36) | |
| Loss / (Profit) on sale of Current Investment | (384.90) | | (581.70) | |
| Remeasurement of define benefit plan Gain / (loss) | 34.48 | | 20.55 | |
| Employee Stock Option Plan Expense | 283.61 | | 461.49 | |
| | | **(29,363.19)** | | **(27,308.54)** |
| **Operating profit before working Capital changes :** | | **(27,346.16)** | | **(26,304.70)** |
| **Adjustment For Increase /(Decrease) in Operating Assets:** | | | | |
| Loans and Advances | (32,453.86) | | 45,245.76 | |
| Other Financial Assets | 3,733.04 | | 3,698.73 | |
| Other Non Financial Assets | (209.73) | | (23.17) | |
| Bank Balance other than Cash and cash equivalents | 2,725.46 | | 6,964.47 | |
| **Adjustment For Increase /(Decrease) in Operating Liability:** | | | | |
| Trade Payables | (38.72) | | (58.32) | |
| Provision | 154.80 | | 42.14 | |
| Other Non Financial liability | 35.47 | | (78.12) | |
| Other Financial Liabilities | (3,744.91) | **(29,798.44)** | 3,873.41 | **59,664.89** |
| **Cash Generated From Operations** | | | | |
| Interest Received | 38,074.55 | | 44,362.40 | |
| Finance Cost | (15,158.96) | | (19,728.83) | |
| Income tax paid (Net) | (233.17) | | (1,922.02) | |
| | | **22,682.41** | | **22,711.56** |
| **Net Cash From Operating Activities:** | | **(34,462.19)** | | **56,071.74** |
| **B: Cash Flow From Investment Activities:** | | | | |
| Purchase of Property, Plant & Equipment | (33.14) | | (119.73) | |
| Purchase of Current investments | (89,516.33) | | (66,288.40) | |
| Proceeds from Sale/redemption of investments | 91,688.00 | | 63,746.35 | |
| Sale of Property, Plant & Equipment | 0.10 | | - | |
| Net Cash from Investment Activities: | | **2,138.64** | | **(2,661.78)** |



# Cash Flow Statement (Contd.)

for the year ended March 31, 2026 (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2026 | | For the year ended 31st March, 2025 | |
|---|---|---|---|---|
| **C: Cash Flow From Financing Activities :** | | | | |
| Proceeds from issue of share capital | - | | 7,000.00 | |
| Proceeds from debt securities and borrowings | 76,000.00 | | 39,250.00 | |
| Repayments of debt securities and borrowings | (60,125.96) | | (80,294.16) | |
| Net increase / (decrease) in working capital borrowings | 11,476.70 | | (17,940.85) | |
| Repayment of Principal Component of Lease Liability (Net) | **(27.22)** | | (37.64) | |
| **Net Cash from Financing Activities:** | | **27,323.52** | | **(52,022.65)** |
| | | | | |
| **Net Increase in Cash & Cash Equivalents (A+B+C)** | | **(5,000.03)** | | **1,387.32** |
| **Cash & cash equivalents at the beginning** | | **6,294.09** | | **4,906.78** |
| Cash & cash equivalents at the end | | 1,294.05 | | 6,294.09 |

**Notes :**

**1 Cash and bank balance at the end of the year comprises:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Cash on hand | 23.89 | 28.87 |
| Balance with Bank | 1,270.16 | 6,265.22 |
| **Cash & cash equivalents as per Balance Sheet** | **1,294.05** | **6,294.09** |

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

**3 Change in liabilities arising from financing activities:**

| Particulars | March 31, 2025 | Cash Flows | Non Cash Changes | March 31, 2026 |
|---|---|---|---|---|
| Debt Securities | 19,497.52 | 20,730.44 | (85.93) | 40,142.02 |
| Borrowing other than debt Securities | 65,468.40 | 6,620.30 | 160.18 | 72,248.88 |
| **Total** | **84,965.91** | **27,350.74** | **74.25** | **1,12,390.90** |

| Particulars | 31st March, 2024 | Cash Flows | Non Cash Changes | 31st March, 2025 |
|---|---|---|---|---|
| Debt Securities | 13,491.91 | 6,002.17 | 3.44 | 19,497.52 |
| Borrowing other than debt Securities | 1,29,900.54 | (64,987.18) | 555.04 | 65,468.40 |
| **Total** | **1,43,392.44** | **(58,985.01)** | **558.48** | **84,965.91** |

As per our report of even date attached herewith
For, **Talati & Talati LLP**,
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

**[Kushal Talati]**
Partner
[M.No.188150]

Place: Ahmedabad
Date: May 27, 2026

**For & on behalf of the Board of Directors of**
**Namra Finance Limited**

**Jayendra Patel**
Whole-time Director
(DIN -00011814)

**Chirag Vora**
Chief Financial Officer

**Aalok Patel**
Chairman & Managing Director
(DIN - 02482747)

**Urvish Karathiya**
Company Secretary
(M.No. A69313)

# Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in Lakhs)

**(A) Equity share capital (Refer Note 17)**

| Particulars | FY 2025-26 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2025 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2025 | Changes during the year | Balance as at March 31, 2026 |
| Ordinary equity share capital | 5,286.00 | - | 5,286.00 | - | 5,286.00 |

| Particulars | FY 2024-25 | | | | |
|---|---|---|---|---|---|
| | Balance as at March 31, 2024 | Changes in equity share capital due to prior period errors | Restated Balance as at March 31, 2024 | Changes during the year | Balance as at March 31, 2025 |
| Ordinary Equity share capital | 4,936.00 | - | 4,936.00 | 350.00 | 5,286.00 |

**(B) Other equity (Refer note 18)**

| Particulars | Reserves and surplus | | | | | Other | Total |
|---|---|---|---|---|---|---|---|
| | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Capital Contribution from Holding | | |
| **Balance As At 1st April, 2025** | **10.00** | **5,919.30** | **28,271.39** | **23,250.14** | **974.01** | **123.41** | **58,548.24** |
| **Change in accounting policy or prior period errors** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Restated Balance As At 31st March, 2026** | **10.00** | **5,919.30** | **28,271.39** | **23,250.14** | **974.01** | **123.41** | **58,548.24** |
| Profit for the year | - | - | - | 1,288.36 | - | - | 1,288.36 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | (371.88) | (371.88) |
| **Total Comprehensive Income for the period** | **-** | **-** | **-** | **1,288.36** | **-** | **(371.88)** | **916.48** |
| **Transactions with Owners in the capacity as Owners** | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | 258.00 | - | (258.00) | - | - | - |
| Additions during the year in securities premium | - | - | - | - | - | - | - |
| Share Issue Expense From Securities Premium A/c | - | - | - | - | - | - | - |
| Reversal of ESOP due to unexercised option | - | - | - | - | - | - | - |
| Transfer during the year in General Reserve | 1.00 | - | - | (1.00) | - | - | - |
| Share based payment to employees (ESOP) (Refer note 18) | - | - | - | - | 283.61 | - | 283.61 |
| **Balance As At 31st March, 2026** | **11.00** | **6,177.30** | **28,271.39** | **24,279.50** | **1,257.62** | **(248.47)** | **59,748.33** |



# Statement of Changes in Equity (Contd.)

for the year ended March 31, 2026

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | | | Other | Total |
|---|---|---|---|---|---|---|---|
| | General Reserve | Reserve u/s. 45-IC of RBI Act, 1934 | Securities premium | Retained earnings | Capital Contribution from Holding | | |
| **FY 2024-25** | | | | | | | |
| **Balance As At 1st April'2024** | **9.00** | **5,762.30** | **21,621.39** | **22,623.44** | **512.51** | **(66.99)** | **50,461.66** |
| Profit for the year | - | - | - | 784.69 | - | - | 784.69 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | 190.40 | 190.40 |
| **Total Comprehensive Income for the period** | **-** | **-** | **-** | **784.69** | **-** | **190.40** | **975.09** |
| **Transactions with Owners in the capacity as Owners** | | | | | | | |
| Transfer to reserve u/s. 45-IA of RBI Act, 1934 | - | 157.00 | - | (157.00) | - | - | - |
| Additions during the year in securities premium | - | - | 6,650.00 | - | - | - | 6,650.00 |
| Share Issue Expense From Securities Premium A/c | - | - | - | - | - | - | - |
| Share based payment to employees (ESOP) (Refer note 18) | - | - | - | - | 461.49 | - | 461.49 |
| Transfer during the year in General Reserve | 1.00 | - | - | (1.00) | - | - | - |
| **Balance As At 31st March, 2025** | **10.00** | **5,919.30** | **28,271.39** | **23,250.14** | **974.01** | **123.41** | **58,548.24** |

As per our report of even date attached herewith
For, **Talati & Talati LLP**,
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

**[Kushal Talati]**
Partner
[M.No.188150]

Place: Ahmedabad
Date: May 27, 2026

**For & on behalf of the Board of Directors of**
**Namra Finance Limited**

**Jayendra Patel**
Whole-time Director
(DIN -00011814)

**Chirag Vora**
Chief Financial Officer

**Aalok Patel**
Chairman & Managing Director
(DIN - 02482747)

**Urvish Karathiya**
Company Secretary
(M.No. A69313)

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

## 1. CORPORATE INFORMATION

NAMRA Finance Limited (the "Company") is a wholly owned subsidiary of Arman Financial Services Limited, a public Company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a Non deposit taking non-banking finance Company – Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Finance loans ("MFL") to Joint Liability Groups ("JLG"), to create the underlying assets of MFL.

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

### 2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI") and

ii) Defined benefit plans - plan assets

iii) Investment in units of mutual funds at fair value through Profit & Loss ('FVTPL')

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Functional and presentation currency**

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

### 2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**i) Business model assessment**

Classification and measurement of financial assets depends on the results of business model 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 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.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

**i) 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. For further details about determination of fair value refer note 3.8 of Material Accounting Policies.

**ii) Effective interest rate ("EIR") method**

The Company's EIR methodology, as explained in Note 3.1(A), 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 lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

**iii) Impairment of financial asset**

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 gross domestic products, 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.

**iv) 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 investigations and proceedings 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 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

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

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.

**v) Provision for income tax and deferred tax Assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**vi) Defined Benefit Plans**

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

## 2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.

Financial assets and financial liability 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:

i) The normal course of business

ii) The event of default

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

## 3.1 Recognition of interest income

**A. Interest income**

Company records interest and processing fees income by applying EIR to the gross carrying amount of financial assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

## 3.2 Financial instrument - initial recognition

**A. Date of recognition**

Regular way purchase or sale of financial assets are recognised on (trade date / settlement date). All other financial assets and financial liabilities are recognised on settlement date.

**B. Initial measurement of financial instruments**

Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities not subsequently measured at FVTPL, transaction costs are added to, or subtracted from this amount.

**C. 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 or Loss (FVTPL)

## 3.3 Financial assets and liabilities – subsequent measurement

**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:



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

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. 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.

**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.

**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 with in 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.

**ii) Financial assets measured at 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. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

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.

iv) Investments in Mutual Funds:

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. 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 method.

## 3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2026 and 31 March 2025.

## 3.5 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, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

**B. Derecognition of financial assets 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. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

**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.

## 3.6 Impairment of financial assets

**A. Overview of ECL principles**

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. 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 Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1:** When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

**Stage 3:** Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

**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.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

**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 **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 loans 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.

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 loan 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.

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

**C. Loans and advances measured at FVOCI**

The ECLs for loans and advances 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 a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)
ii) Lending interest rates
iii) Deposit interest rates

## 3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. 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.

## 3.8 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 if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

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.

## 3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. 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.

**A. Income from assignment transactions**

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest spread under par structure of direct assignment of loan Receivables is recognised upfront. On derecognition of the loan receivables 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) shall be recognised upfront in the statement of profit and loss.

**B. Other interest income**

Other interest income is recognised on a time proportionate basis.

**C. Other Charges in Respect of Loans**

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

**D. Fees and commission income**

Fees and Commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

## 3.9 (II) Recognition of other expense

**A. Finance cost**

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

## 3.10 Property, plant and equipment & Depreciation

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided on straight line method specified in Schedule II to the Companies Act, 2013. However, Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years
ii) Vehicles - 8 years
iii) Office equipment - 3 to 10 years
iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

## 3.11 Leases

Right-of-use assets are measured presented as "Right to use Asset" and "Other financial liabilities" respectively on the financial statements.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Short-term leases for the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

## 3.12 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined benefit plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

**Short-term employee benefits**

Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 3.13 Taxes

**A. Current tax**

Current Tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in profit or loss or OCI or directly in equity. The Company has provided for the tax liability based on the significant judgment that the taxation authority will accept the tax treatment.

**B. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

at the end of each reporting period.

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 equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

**4. Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA), in consultation with the Institute of Chartered Accountants of India (ICAI), has issued amendments to certain Indian Accounting Standards, which are not yet effective as at the reporting date (e.g., amendments to Ind AS 109, Ind AS 107, etc.). These amendments are applicable from the financial year beginning on or after April 1, 2026.

The Company has evaluated the above amendments and concluded that their application is not expected to have any material impact on its financial statements.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 1 | Cash and Cash Equivalents | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Cash on hand | 23.89 | 28.87 |
| | Balance with banks | 1,270.16 | 6,265.22 |
| | **Total** | **1,294.05** | **6,294.09** |

| 2 | Bank Balance other than Cash and Cash Equivalents | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | In fixed deposit accounts: | | |
| | Deposits given as security against borrowings or other commitments | 6,699.68 | 8,091.44 |
| | Fixed Deposits given as security against overdraft facilities (Refer Note No.2.1) | 13,688.34 | 16,952.53 |
| | Other Deposits with original maturity more than 3 months | 4,238.52 | 2,431.28 |
| | | 24,626.53 | 27,475.24 |
| | Less: Interest Accrued but not due on Bank Deposits (Disclosed in Note 5) | (682.75) | (806.00) |
| | **Total** | **23,943.78** | **26,669.24** |

**2.1** Deposits includes deposits of ₹13,688.34 Lakhs (P.Y. ₹16,952.53 Lakhs) given to bank for Overdraft facility availed.

| 3 | Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **At FVOCI** | | |
| | Unsecured Loans | 1,57,427.75 | 1,23,274.86 |
| | Less : Interest Due but not received on loans (Disclosed in Note 5) | (532.20) | (1,159.21) |
| | **At Amortised Cost** | | |
| | Inter Corporate Deposits to holding company (Refer 3.1) | - | 2,857.48 |
| | | **1,56,895.55** | **1,24,973.13** |
| | Less : Impairment Loss Allowance | (4,837.78) | (9,021.55) |
| | | **1,52,057.77** | **1,15,951.57** |
| | (1) Loans In India | 1,52,057.77 | 1,15,951.57 |
| | (2) Loans Outside India | - | - |
| | **Total** | **1,52,057.77** | **1,15,951.57** |

3.1 Refer Note No. 36 for loans to Company in which directors are interested.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

3.2 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Gross Carrying Amount As At 31st March 2024** | **1,60,846.74** | **4,007.85** | **5,046.91** | **1,69,901.51** |
| New Assets originated* | 1,01,740.48 | 2,459.68 | 586.68 | 1,04,786.84 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (10,097.60) | 6,157.14 | 3,940.46 | - |
| Transfer from stage 2 | 6.89 | (81.88) | 74.98 | - |
| Transfer from stage 3 | 0.49 | 0.60 | (1.09) | - |
| Less :Assets derecognised or collected | 1,24,385.65 | 1,805.19 | 1,461.17 | 1,27,652.01 |
| Less: Write - offs | 15,734.15 | 2,298.13 | 4,030.93 | 22,063.21 |
| **Gross Carrying Amount As At 31st March 2025** | **1,12,377.20** | **8,440.08** | **4,155.85** | **1,24,973.13** |
| New Assets originated* | 1,56,018.98 | 713.90 | 822.48 | 1,57,555.35 |
| **Net transfer between stages** | | | | |
| Transfer from stage 1 | (8,117.98) | 1,368.64 | 6,749.33 | - |
| Transfer from stage 2 | 8.95 | (545.26) | 536.32 | - |
| Transfer from stage 3 | 0.08 | 0.22 | (0.31) | - |
| Less :Assets derecognised or collected | 1,03,689.78 | 2,182.75 | 2,259.56 | 1,08,132.09 |
| Less: Write - offs | 6,488.49 | 6,432.46 | 4,579.88 | 17,500.84 |
| **Gross Carrying Amount As At 31st March 2026** | **1,50,108.96** | **1,362.37** | **5,424.22** | **1,56,895.55** |

*Note: New assets originated are those assets which are disbursed during the year.

**3.2 Reconciliation of ECL balance is given below:**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Gross carrying Amount As at 31st March 2024** | **1,239.43** | **1,262.82** | **4,792.08** | **7,294.33** |
| Addition During The Year | 1,737.38 | 3,880.29 | 4,031.64 | 9,649.32 |
| Reduction During The Year | (1,463.76) | (1,327.18) | (5,131.16) | (7,922.10) |
| **Gross carrying Amount As at 31st March 2025** | **1,513.06** | **3,815.94** | **3,692.56** | **9,021.55** |
| Addition During The Year | 1,901.98 | 811.05 | 7,348.48 | 10,061.50 |
| Reduction During The Year | (2,792.39) | (4,316.80) | (7,136.08) | (14,245.28) |
| **Gross carrying Amount As at 31st March 2026** | **622.65** | **310.19** | **3,904.95** | **4,837.78** |

**Note:** During the year, the microfinance sector experienced elevated credit stress due to higher leverage and multiple borrowings by MFI customers, resulting in increased borrower defaults across the sector. Accordingly, the Company recognized higher Expected Credit Loss (ECL) provisions during Q1 and Q2. However, with improvements in portfolio performance and collection trends, a reversal of ECL provisions was recorded in Q3 and Q4. The overall movement in ECL provisions was also influenced by the growth in the loan portfolio during the year..



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 4 | Investments | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **At Fair Value Through Profit & Loss** | | |
| | In Mutual Funds | | |
| | SBI Magnum Gilt Fund Regular Growth (Nil Units As at 31.03.26, 6,48,523.25 Unit As at 31.03.25) | - | 423.67 |
| | SBI Magnum Medium Duration Fund Regular Growth (Nil Units as at 31.03.26, 6,98,053.50 Unit As at 31.03.25) | - | 349.73 |
| | ICICI LIQUID FUND | - | - |
| | **Total Mutual Funds** | - | **773.40** |
| | Security Receipt- Rare ARC 080 Trust of ₹1,000 Each (Market Value ₹1,000) (3,12,375 Unit as at 31.03.26, 3,12,375 Unit as at 31.03.25) | 2,110.38 | 3,123.75 |
| | **Total** | **2,110.38** | **3,897.15** |
| | i) Investments in India | 2,110.38 | 3,897.15 |
| | ii) Investments outside India | - | - |
| | **Total** | **2,110.38** | **3,897.15** |

**4.1** Cost of Investment in Security receipt is 3123.75 Lakhs (P.Y. is is 3123.75 Lakhs), Cost of Investment in Mutual Fund is Nil (P.Y.₹665.00 Lakhs) .

| 5 | Other Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Deposits | 36.72 | 29.94 |
| | Income Receivable from Direct Assignment | 1,407.07 | 2,120.70 |
| | Other Advances | 43.06 | 11.50 |
| | Insurance Claim Receivable | 18.01 | 97.71 |
| | Interest accrued but not due on Bank Deposits(Refer Note 2) | 682.75 | 806.00 |
| | Interest Due but not received on loans (Refer Note 3) | 532.20 | 1,159.21 |
| | Less : Provision on Interest Receivable on Credit Impaired Loans and Advances | (457.88) | (516.52) |
| | **Total** | **2,261.93** | **3,708.55** |

**5.1 Reconciliation of ECL balance is given below:**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Gross carrying amount at beginning of the year** | **516.52** | **600.02** |
| Addition During The Year | 457.78 | 512.18 |
| Reduction During The Year | (516.42) | (595.68) |
| **Gross carrying amount at Closing of the year** | **457.88** | **516.52** |

**5.2** Other Financial Assets does not includes any dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 6 | Current tax Assets (Net) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Provision for Tax | (662.90) | (566.00) |
| | Less: Advance Tax and TDS | 1,245.74 | 1,012.56 |
| | **Total** | **582.84** | **446.56** |

| 7 | Deferred Tax | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **Deferred Tax Assets on account of:** | | |
| | Provision for employee benefits | 93.39 | 54.43 |
| | Financial assets measured at amortised cost | 557.20 | 419.01 |
| | Recognition of lease liability and right to use asset | 6.58 | 3.73 |
| | Fair valuation of financial instruments through OCI | 90.46 | (43.29) |
| | Impairment on Financial assets | 1,332.81 | 2,400.54 |
| | **Total Deferred Tax Assets** | **2,080.44** | **2,834.42** |
| | **Deferred Tax Liabilities on account of:** | | |
| | Difference in written down value as per Companies Act and Income Tax Act | (4.78) | (8.00) |
| | Financial liabilities measured at amortised cost | (193.74) | (212.43) |
| | Interest Receivable on NPA | (115.24) | (130.00) |
| | Fair valuation of Investment in Mutual Fund | - | (27.28) |
| | Direct Assignment Income Receivable -DA | (354.13) | (537.47) |
| | **Total Deferred Tax Liabilities** | **(667.90)** | **(915.18)** |
| | **At the end of year DTA / (DTL) (net)** | **1,412.54** | **1,919.24** |

**7.1** The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(i) Movement in deferred tax assets (net)

| Particulars | As at March 31, 2025 | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|
| **Assets** | | | | |
| Provision for employee benefits | 54.43 | 47.64 | (8.68) | 93.39 |
| Financial assets measured at amortised cost | 419.01 | 138.19 | - | 557.20 |
| Share Issue Expense | - | - | - | - |
| Impairment loss allowance | 2,400.54 | (1,067.73) | - | 1,332.81 |
| Recognition of lease liability and right to use asset (Net) | 3.73 | 2.85 | - | 6.58 |
| Fair valuation of financial instruments through OCI | (43.29) | - | 133.75 | 90.46 |
| CSR Provision | - | - | - | - |
| **Liabilities** | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (8.00) | 3.22 | - | (4.78) |
| Financial liabilities measured at amortised cost | (212.43) | 18.69 | - | (193.74) |
| NPA Interest Receivable | (130.00) | 14.76 | - | (115.24) |
| Income Taxable on Realised Basis | - | - | - | - |
| Fair valuation of Investment in Mutual Fund | (27.28) | 27.28 | - | - |
| Income Receivable on Direct assignments | (537.47) | 183.33 | - | (354.13) |
| **Total (Net)** | **1,919.24** | **(631.77)** | **125.07** | **1,412.54** |



| Particulars | As at March 31, 2024 | (Charged)/ credited to statement of profit and loss | (Charged)/ credited to other comprehensive income | As at March 31, 2025 |
|---|---|---|---|---|
| **Assets** | | | | |
| Provision for employee benefits | 43.82 | 15.78 | (5.17) | 54.43 |
| Financial assets measured at amortised cost | 460.25 | (41.24) | - | 419.01 |
| Share Issue Expense | - | - | - | - |
| Impairment loss allowance | 1,986.85 | 413.69 | - | 2,400.54 |
| Recognition of lease liability and right to use asset (Net) | - | 3.73 | - | 3.73 |
| Fair valuation of financial instruments through OCI | 15.57 | - | (58.87) | (43.29) |
| **Liabilities** | | | | |
| Difference in written down value as per Companies Act and Income Tax Act | (10.40) | 2.40 | - | (8.00) |
| Financial liabilities measured at amortised cost | (352.99) | 140.56 | - | (212.43) |
| NPA Interest Receivable | (151.01) | 21.01 | - | (130.00) |
| Income Taxable on Realised Basis | - | - | - | - |
| Fair valuation of Investment in Mutual Fund | (11.78) | (15.50) | - | (27.28) |
| Income Receivable on Direct assignments | (475.76) | (61.71) | | (537.47) |
| **Total (Net)** | **1,504.55** | **478.72** | **(64.04)** | **1,919.24** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**8 Property, Plant & Equipment**

| Carrying Value | Furniture & Fixtures | Buildings | Office Equipments | Computers | Vehicles | Total Property, Plant & Equipment | Intangible Assets | Total Assets | Right of Use Assets |
|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2024** | **178.95** | **84.17** | **63.09** | **178.04** | **183.79** | **688.03** | **67.97** | **756.00** | **255.44** |
| Addition | 45.41 | - | 7.90 | 54.53 | 5.35 | 113.19 | 6.54 | 119.73 | - |
| Disposal | - | - | - | - | - | - | - | - | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - |
| **At March 31, 2025** | **224.36** | **84.17** | **70.99** | **232.56** | **189.14** | **801.22** | **74.51** | **875.73** | **255.44** |
| Addition | 10.23 | - | 13.52 | 9.38 | - | 33.14 | - | 33.14 | 151.79 |
| Disposal | - | - | 0.63 | - | - | 0.63 | - | 0.63 | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - |
| **At March 31, 2026** | **234.59** | **84.17** | **83.88** | **241.94** | **189.14** | **833.73** | **74.51** | **908.23** | **407.23** |

| Accumulated Depreciation / Amoritsation | Furniture & Fixtures | Buildings | Office Equipment | Computer | Vehicles | Total Property, Plant & Equipment | Intangible Assets | Total Assets | Right of Use Assets |
|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2024** | **59.42** | **7.17** | **38.42** | **116.97** | **43.26** | **265.24** | **45.60** | **310.84** | **113.96** |
| Charge for the year | 19.72 | 1.33 | 12.23 | 41.02 | 23.21 | 97.51 | 8.27 | 105.77 | 36.27 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - |
| **At March 31, 2025** | **79.14** | **8.50** | **50.65** | **157.99** | **66.47** | **362.75** | **53.87** | **416.62** | **150.23** |
| Charge for the year | 22.45 | 1.33 | 1.81 | 33.69 | 22.47 | 81.74 | 8.59 | 90.33 | 38.56 |
| Disposal | - | - | 0.60 | - | - | 0.60 | - | 0.60 | - |
| Other Adjustment | - | - | - | - | - | - | - | - | - |
| **At March 31, 2026** | **101.59** | **9.83** | **51.86** | **191.68** | **88.93** | **443.90** | **62.45** | **506.35** | **188.79** |
| **Net Carrying Value** | | | | | | | | | |
| **At March 31, 2025** | **145.22** | **75.66** | **20.34** | **74.57** | **122.67** | **438.47** | **20.64** | **459.11** | **105.21** |
| **At March 31, 2026** | **133.00** | **74.34** | **32.02** | **50.26** | **100.21** | **389.83** | **12.06** | **401.89** | **218.44** |

(a) **Capitalised Borrowing Cost :** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note.32 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

(e) There is no intangible assets are under development.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 9 Other Non - Financial Assets | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Prepaid Expenses | 143.87 | 17.12 |
| Advances to staff | 24.01 | 11.98 |
| Balance with government authorities | 140.25 | 69.30 |
| **Total** | **308.13** | **98.40** |

| 10 Other Payables | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 26.81 | 52.42 |
| Total outstanding dues of other than micro enterprises and small enterprises | 36.62 | 49.73 |
| **Total** | **63.43** | **102.15** |

**10.1** Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

| Sr No | Particulars | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|---|
| 1 | Principal amount payable to suppliers as at year end | 26.81 | 52.42 |
| 2 | Interest due thereon as at year end | Nil | Nil |
| 3 | Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates. | Nil | Nil |
| 4 | Amount of delayed payment actually made to suppliers during the year | Nil | Nil |
| 5 | 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 MSMED Act, 2006 | Nil | Nil |
| 6 | Interest accrued and remaining unpaid at the end of the year | Nil | Nil |
| 7 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006. | Nil | Nil |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**10.2 Trade Payable ageing schedule:**

| As on March 31, 2026 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | Nil | 26.81 | Nil | 36.62 |
| Outstanding between 1 year to 2 Years | Nil | Nil | Nil | Nil |
| Outstanding between 2 year to 3 Years | Nil | Nil | Nil | Nil |
| Outstanding More than 3 Years | Nil | Nil | Nil | Nil |

| As on March 31, 2025 | MSME Trade Payable | | Other than MSME Trade Payables | |
|---|---|---|---|---|
| | Disputed | Undisputed | Disputed | Undisputed |
| Outstanding Less than 1 Years | Nil | 52.42 | Nil | 49.73 |
| Outstanding between 1 year to 2 Years | Nil | Nil | Nil | Nil |
| Outstanding between 2 year to 3 Years | Nil | Nil | Nil | Nil |
| Outstanding More than 3 Years | Nil | Nil | Nil | Nil |

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management.This has been relied upon by the Auditors.

**11**

| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Secured Debenture (Refer note 11.1)** | | |
| 11.95% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non Convertible Debenture of ₹9.090 Each (4,000 Unit as at 31.03.25, 4,000 Unit as at 31.03.25) | 363.60 | 1,818.16 |
| 11.25% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures of ₹1,00,000 Each (15,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 15,000.00 | - |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures of ₹1,00,000 Each (10,000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 10,000.00 | - |
| 11.40% Rated, Secured, Taxable, Listed, Redeemable, Non-Convertible Debentures of ₹75,000 Each (4000 Unit as at 31.03.2026, Nil Unit as at 31.03.2025) | 3,000.00 | - |
| 11.35% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures of ₹10,000 Each (50,000 Unit as at 31.3.2026, Nil Unit as at 31.03.2025) | 5,000.00 | - |
| 11.00% Listed Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹40,000 Each (7,500 Units as at 31.03.2026, 7500 Unit as at 31.03.2025) | 3,000.00 | 7,500.00 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**11**

| Debt Securities (At Amortised Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| 11.95% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹1,00,000 Each (Nil Units as at 31.03.2026, 1750 Unit as at 31.03.2025) | - | 1,750.00 |
| 12.20% Secured, Unlisted, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (4,028 Unit as at 31.03.26, 4,028 Unit as at 31.03.25) | 4,028.00 | 4,028.00 |
| 11.60% Secured, Unlisted Redeemable, Non Convertible Debenture of ₹10,000 Each (Nil Unit as at 31.03.26, 45,650 Unit as at 31.03.25) | - | 4,565.00 |
| **Total** | **40,391.60** | **19,661.16** |
| Less: Unamortised borrowing costs | (249.58) | (163.64) |
| **Total** | **40,142.02** | **19,497.52** |
| | | |
| i) Debt Securities In India | 40,142.02 | 19,497.52 |
| ii) Debt Securities Outside India | - | - |
| **Total** | **40,142.02** | **19,497.52** |

**11.1 Details of terms of Redemption/Repayment and security provided in respect of Debt securities borrowings**

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Secured, Unlisted Redeemable, Non Convertible Debenture | 4,028.00 | 4,028.00 | 99.99% of the Principal Amount will be repaid on 26 June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028 | Secured Under Hypothecation of Specific Asset Portfolio |
| Secured, Unlisted Redeemable, Non Convertible Debenture | - | 4,565.00 | 99.99% of the Principal Amount will be repaid on 08 May 2025 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 13 the June 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| Rated, Listed, Senior, Secured, Redeemable, Transferable, Non-Convertible Debenture | 363.60 | 1,818.16 | Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026 | Secured Under Hypothecation of Specific Asset Portfolio |
| Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture | 3,000.00 | 9,250.00 | Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026 | Secured Under Hypothecation of Specific Asset Portfolio |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures | 5,000.00 | - | Total Tenor of 24 months. Principal Amount will be repaid on Maturity Date i.e.05th Nov 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| Rated, Secured, Taxable, Listed, Redeemable, Non-Convertible Debentures | 3,000.00 | - | Total tenor of 24 months. Principal repayments to be made on a quarterly basis Starting from 31st Dec 2025 till 11 Nov 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures | 10,000.00 | - | 50% of the Principal Amount will be repaid on 30 Sep 2027 and 50% of the Principal Amount will be repaid on Maturity Date i.e. 30th Dec 2027 | Secured Under Hypothecation of Specific Asset Portfolio |
| Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures | 15,000.00 | - | 30% of the Principal Amount will be repaid on 11 Mar 2028 and 30% of the Principal Amount will be repaid on Maturity Date i.e. 11th Jun 2028 40% of the Principal Amount will be repaid on Maturity Date i.e. 11th Sep 2028 | Secured Under Hypothecation of Specific Asset Portfolio |
| **Total Debt Securities** | **40,391.60** | **19,661.16** | | |

| 12 | Borrowings (Other than debt securities) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **Term Loans - Secured** | | |
| | (i) From Banks | 32,340.41 | 47,205.68 |
| | (ii) From Financial Institutions | 20,335.57 | 17,407.53 |
| | Less: Unamortised borrowing costs | (520.22) | (680.41) |
| | | **52,155.76** | **63,932.80** |
| | Loans Repayable On Demand From Banks - Secured | - | - |
| | Overdraft from banks - Secured against Fixed Deposit (Refer Note 2.1) | 12,012.30 | 535.60 |
| | **Loans from Related Parties** | | |
| | Inter Corporate Deposits - Unsecured | 7,080.82 | - |
| | **Total** | **71,248.88** | **64,468.40** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 12 | Borrowings (Other than debt securities) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | i) Borrowings in India | 71,248.88 | 64,468.40 |
| | ii) Borrowings Outside India | - | - |
| | **Total** | **71,248.88** | **64,468.40** |

**12.1 Security :-**

Note: Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". Also some of the loans are guaranteed by Holding Company.

**Interest:**

Term loan carries an interest rate ranging from 10.50 % to 15.00% p.a.

**12.2** The Company has not defaulted in repayment of borrowings and interest thereon

**12.3** The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

**12.4. Details of terms of Repayment and security provided in respect of borrowings:**

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks - 1 | - | 54.55 | Repayable in 24 Months Monthly installments starting From 21 January 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 2 | - | 297.31 | Repayable in 30 Monthly installments from 17 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 3 | - | 0.68 | Repayable in 26 Monthly installments starting From 14th February 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 4 | - | 126.19 | Repayable in 36 Monthly installments starting From 15th october 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks - 5 | - | 360.71 | Repayable in 36 Monthly installments from 29 Sep 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 6 | - | 133.33 | Repayable in 24 Monthly installments from 20 Feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 7 | - | 149.94 | Repayable in 36 Monthly installments from 18 Nov 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 8 | - | 149.69 | Repayable in 36 Monthly installments from 18 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 9 | - | 166.43 | Repayable in 36 Monthly installments starting From 18 Jan 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 10 | - | 1,615.21 | Repayable in 36 Monthly installments starting From 30 Dec 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 11 | - | 668.67 | Repayable in 36 Monthly installments starting From 10 Feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 12 | - | 333.33 | Repayable in 36 Monthly installments starting From 31 Aug 2022 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Banks - 13 | 43.09 | 67.72 | Repayable in 36 Monthly installments starting From 26 Sep 2022 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 14 | -3.96 | 1,632.71 | Repayable in 24 Monthly installments starting From 18 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks - 15 | 125.00 | 625.00 | Repayable in 36 Monthly installments starting From 31 May 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 16 | - | 907.03 | Repayable in 30 Monthly installments starting From 24 Nov 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 17 | 258.47 | 924.68 | Repayable in 36 Monthly installments starting From 28 Sep 2021 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 18 | - | 1,474.69 | Repayable in 24 Monthly installments starting From 19 Feb 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 19 | 332.90 | 666.44 | Repayable in 36 Monthly installments starting From 14 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 20 | 606.37 | 1,454.81 | Repayable in 36 Monthly installments starting From 28 NOV 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 21 | - | 155.56 | Repayable in 24 Monthly installments starting From 29 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 22 | - | 1,090.91 | Repayable in 24 Monthly installments starting From 29 Nov 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 23 | - | 1,590.91 | Repayable in 24 Monthly installments starting From 31 Jan 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 24 | - | 600.00 | Repayable in 24 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks - 25 | -1.75 | 1,749.13 | Repayable in 24 Monthly installments starting From 29 Jan 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks-26 | - | 375.00 | Repayable in 27 Monthly installments starting From 7 Jun 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-27 | 187.50 | 937.50 | Repayable in 24 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-28 | 733.33 | 1,533.33 | Repayable in 36 Monthly installments starting From 28 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-29 | 293.21 | 896.02 | Repayable in 36 Monthly installments starting From 30 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-30 | - | 41.67 | Repayable in 27 Monthly installments starting From 12 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-31 | - | 125.00 | Repayable in 27 Monthly installments starting From 22 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-32 | - | 3,111.26 | Repayable in 36 Monthly installments starting From 29 Apr 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-33 | 249.97 | 1,249.99 | Repayable in 27 Monthly installments starting From 19 Mar 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-34 | 165.75 | 499.79 | Repayable in 36 Monthly installments starting From 5 Sep 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-35 | - | 666.67 | Repayable in 24 Monthly installments starting From 1 Dec 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-36 | 303.03 | 2,121.43 | Repayable in 36 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on the vehicle acquired with the loan |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026.

*(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks-37 | 1,750.00 | 2,750.00 | Repayable in 36 Monthly installments starting From 17 Dec 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-38 | 842.88 | 1,446.59 | Repayable in 36 Monthly installments starting From 29 Aug 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-39 | 204.55 | 1,022.73 | Repayable in 24 Monthly installments starting From 30 june 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-40 | 437.50 | 2,187.50 | Repayable in 24 Monthly installments starting From 28 Apr 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-41 | 1,814.81 | 3,370.37 | Repayable in 24 Monthly installments starting From 27 Feb 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-42 | 500.00 | 1,500.00 | Repayable in 27 Monthly installments starting From 14 Apr 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-43 | 875.00 | 2,374.81 | Repayable in 24 Monthly installments starting From 25 Oct 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-44 | 1,000.00 | 3,000.38 | Repayable in 26 Monthly installments starting From 21 April 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-45 | 500.00 | 1,000.00 | Repayable in 26 Monthly installments starting From 12 Feb 2024 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-46 | 2,962.96 | - | Repayable in 24 Monthly installments starting From 26 May 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-47 | 2,444.44 | - | Repayable in 27 Monthly installments starting From 28 OCT 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Banks-48 | 1,703.70 | - | Repayable in 27 Monthly installments starting From 27 Nov 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-49 | 2,395.83 | - | Repayable in 27 Monthly installments starting From 27 Feb 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-50 | 2,395.83 | - | Repayable in 27 Monthly installments starting From 25 Mar 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-51 | 1,499.99 | - | Repayable in 27 Monthly installments starting From 28 Apr 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-52 | 2,499.99 | - | Repayable in 27 Monthly installments starting From 27 Feb 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-53 | 750.00 | - | Repayable in 24 Monthly installments starting From 05 May 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-54 | 1,500.00 | - | Repayable in 24 Monthly installments starting From 06 Nov 2025 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| Term Loan From Banks-55 | 2,969.99 | - | Repayable in 24 Monthly installments starting From 25 Mar 2026 | Secured by a first and exclusive charge on the vehicle acquired with the loan |
| **Total Loan From Banks** | **32,340.41** | **47,205.68** | | |
| **Name** | | | | |
| Term Loan From Financial Institution - 1 | - | 133.33 | Repayable in 27 Months Monthly installments Stating From 15 feb 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 2 | 0.16 | 0.16 | Repayable in 24 Monthly installments starting From 28 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution - 3 | 0.50 | 0.50 | Repayable in 24 Monthly installments starting From 28 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 4 | - | 833.33 | Repayable in 36 Monthly installments starting From 23 Mar 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 5 | - | 749.98 | Repayable in 24 Monthly installments starting From 1 Mar 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 6 | - | 729.17 | Repayable in 27 Monthly installments starting From 29 Aug 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 7 | - | 83.33 | Repayable in 24 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 8 | - | 83.33 | Repayable in 24 Monthly installments starting From 30 Jun 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 9 | - | 459.69 | Repayable in 24 Monthly installments starting From 14 Aug 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 10 | - | 592.59 | Repayable in 27 Monthly installments starting From 29 JULY 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 11 | - | 1,166.71 | Repayable in 26 Monthly installments starting From 29 Sep 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution - 12 | 833.50 | 2,833.42 | Repayable in 36 Monthly installments starting From 11 Sep 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 13 | 600.00 | 1,800.00 | Repayable in 36 Monthly installments starting From 27 Oct 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 14 | 700.00 | 1,900.00 | Repayable in 36 Monthly installments starting From 23 Nov 2023 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 15 | 1,749.46 | 2,916.67 | Repayable in 36 Monthly installments starting From 24 JUL 2024 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 16 | 600.00 | 1,200.00 | Repayable in 24 Monthly installments starting From 28 Mar 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 17 | 972.38 | 1,925.30 | Repayable in 24 Monthly installments starting From 15 JAN 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 18 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 19 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 20 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution - 21 | 416.67 | - | Repayable in 24 Monthly installments starting From 01 JUL 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 22 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 23 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 24 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 25 | 598.96 | - | Repayable in 24 Monthly installments starting From 26 Feb 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 26 | 2,281.52 | - | Repayable in 24 Monthly installments starting From 29 Sep 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 27 | 2,500.00 | - | Repayable in 24 Monthly installments starting From 18 Mar 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 28 | 2,250.00 | - | Repayable in 30 Monthly installments starting From 30 Dec 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| Term Loan From Financial Institution - 29 | 1,833.33 | - | Repayable in 30 Monthly installments starting From 26 Jun 2025 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particular | As at March 31, 2026 | As at March 31, 2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Term Loan From Financial Institution - 30 | 1,952.22 | - | Repayable in 30 Monthly installments starting From 29 Jan 2026 | Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed. |
| **Total Term Loan From Financial Institution** | **20,335.57** | **17,407.53** | | |
| **Overdraft Facilty on Fixed Deposit** | | | | |
| Overdraft Facilty on Fixed Deposit 1 | (86.24) | 97.24 | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 2 | 2,632.63 | (42.50) | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 3 | 2,166.59 | 481.85 | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 4 | (1.00) | (1.00) | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 5 | 2,197.74 | - | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 6 | 5,167.77 | - | | Secured by a first and exclusive charge on specific Fixed Deposits |
| Overdraft Facilty on Fixed Deposit 7 | (65.19) | - | | Secured by a first and exclusive charge on specific Fixed Deposits |
| | **12,012.30** | **535.60** | | |

| 13 | Subordinated Liabilities(At Cost) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | 15%, Unsecured Subordinated Term Loan in India | 1,000.00 | 1,000.00 |
| | **Total** | **1,000.00** | **1,000.00** |

**13.1 Details of terms of Redemption/ Repayment in respect of Subordinated Liabilities:**

| Particular | 31st March, 2026 | 31st March,2025 | Terms of Redemption / Repayment | Security |
|---|---|---|---|---|
| Subordinated Term Loan From Bank - 1 | 1,000.00 | 1,000.00 | 50% Payment at the end of 66 Months from 30th Nov,2021 & remaining 50% Payment at the end of 72 Months from 30th Nov,2021 | Unsecured |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 14 | Other Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Interest accrued but not due on Borrowings | 410.45 | 524.11 |
| | Salary & wages payable | 233.62 | 812.16 |
| | Micro Insurance Payable | 479.05 | 680.70 |
| | Hospicash Insurance Payable | 381.51 | 390.09 |
| | Other Expenses Payable | 157.42 | 108.96 |
| | Payable toward assignment transactions | 4,623.43 | 7,628.04 |
| | Lease Liability - Right of Use Assets | 244.59 | 120.03 |
| | **Total** | **6,530.07** | **10,264.08** |

| 15 | Provisions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Provision for employee benefit- gratuity (Refer Note No.27.1) | 371.06 | 216.26 |
| | **Total** | **371.06** | **216.26** |

| 16 | Other Non Financial Liabilities | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | Other statutory dues | 89.52 | 90.92 |
| | TDS payable | 112.42 | 75.55 |
| | **Total** | **201.95** | **166.47** |

| 17 | Share Capital | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| | **[a]Authorised:** | | |
| | 6,00,00,000 (As At 31.03.25, 6,00,00,000) Equity Shares of ₹10/- each fully paid up | 6,000.00 | 6,000.00 |
| | | **6,000.00** | **6,000.00** |
| | **[b] Issued, Subscribed & Paid-up Capital:** | | |
| | 5,28,60,000 (As At 31.03.25, 5,28,60,000) Equity Shares of ₹10/- each fully paid up | 5,286.00 | 5,286.00 |
| | **Total** | **5,286.00** | **5,286.00** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at 31st March, 2026 & 31st March, 2025 is set out below:**

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of Shares | (₹ In Lakhs) | No. of Shares | (₹ In Lakhs) |
| **Ordinary Equity Shares:** | | | | |
| Outstanding at the beginning of the year | 5,28,60,000 | 5,286 | 4,93,60,000 | 4,936.00 |
| Shares Issued during the year | - | - | 35,00,000 | 350 |
| Reduction during the year | - | - | - | - |
| **Outstanding at the end of the year** | **5,28,60,000** | **5,286.00** | **5,28,60,000** | **5,286.00** |

**17.2** The Company having shares referred to as equity shares having face value of ₹10/-each. Each holder of equity share is entitled to 1 vote per share.

**17.3** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 shareholder.

**17.4** The Company is 100 % subsidiary of Arman Financial Services Limited (CIN:.L55910GJ1992PLC018623).

**17.5 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:**

| Class of shares / Name of shareholder | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Arman Financial Services Limited | 5,28,60,000 | 100.00% | 4,93,60,000 | 100.00% |

**17.6 Details of Promotors Shareholding of ordinary shares of the company are as follows :**

| Class of shares / Name of shareholder | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Arman Financial Services Limited | 5,28,60,000 | 100.00% | 4,93,60,000 | 100.00% |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| 18 | Other Equity(Refer Note 18.1 ) | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| A. | **Reserves and Surplus** | | |
| i. | **General Reserve** | | |
| | Balance as per last financial statement | 10.00 | 9.00 |
| | Add: Transfer from statement of profit and loss | 1.00 | 1.00 |
| | **Closing Balance** | **11.00** | **10.00** |
| | | | |
| ii. | **Special Reserve u/s 45-IC of the RBI Act,1934** | | |
| | Balance as per last financial statement | 5,919.30 | 5,762.30 |
| | Add: Transfer from statement of profit and loss | 258.00 | 157.00 |
| | **Closing Balance** | **6,177.30** | **5,919.30** |
| | | | |
| iii. | **Securities Premium** | | |
| | Balance as per last financial statement | 28,271.39 | 21,621.39 |
| | Add: Share Premium on shares issued during the year | - | 6,650.00 |
| | Less : Share issue Expenses | - | - |
| | **Closing Balance** | **28,271.39** | **28,271.39** |
| | | | |
| v. | **Surplus in the Statement of Profit and Loss** | | |
| | Balance as per last financial statement | 23,250.14 | 22,623.44 |
| | Add : Profit for the year | 1,288.36 | 784.69 |
| | Less: Appropriations | | |
| | Amount transfer to General Reserve | 1.00 | 1.00 |
| | Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934 | 258.00 | 157.00 |
| | Dividend Paid On Cumulative Non - Convertible Compulsorily Redeemable Preference shares | | |
| | Tax on distributed profit on dividend paid | | |
| | **Closing Balance** | **24,279.50** | **23,250.14** |
| | | | |
| B. | **Other Comprehensive Income** | | |
| | Balance as per last financial statement | 123.41 | (66.99) |
| | Additions during the year | (371.88) | 190.40 |
| | **Closing Balance** | **(248.47)** | **123.41** |
| | | | |
| C. | **Capital Contribution from Holding Company** | | |
| | Balance as per last financial statement | 974.01 | 512.51 |
| | Additions during the year | 283.61 | 461.49 |
| | Closing Balance | 1,257.62 | 974.01 |
| | **Total** | **59,748.33** | **58,548.24** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**18.1 Nature and Purpose of Reserve**

**1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")**

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

**2 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 Act.

**3 Surplus in the statement of profit and loss**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

**4 FVOCI - loans and advances**

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

**5 FVOCI - Remeasurement of the defined benefit liabilities**

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

**6 General reserve**

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

**7 Capital Contribution from Holding Company**

The Holding Company Arman Financial Services Limited Has Allotted Shares Under Employee Stock Option Scheme To The Eligible Employees Of The Company At a Exercise Price of ₹500 for "ESOP Scheme 2023" & ₹50 for "ESOP Scheme 2016" Per Option during the year (Exercise Price of ₹ 50 for "ESOP Scheme 2016" Per Option in earlier years). The reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

## 19 Interest Income

| Particulars | Year Ended 31st March, 2026 | | Year Ended 31st March, 2025 | |
|---|---|---|---|---|
| | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost | On Financial assets measured at FVOCI | On Financial assets measured at Amortised Cost |
| Interest on Loans | 35,455.93 | - | 42,257.49 | - |
| Interest on Deposits as Security | - | 1,813.39 | - | 2,301.12 |
| Interest on Others | - | 113.60 | - | 336.10 |
| **Total** | **35,455.93** | **1,926.99** | **42,257.49** | **2,637.21** |
| **Total Interest** | | **37,382.92** | | **44,894.71** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

## 20 Gain On Assignment of Financial Assets

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Gain On Assignment of Assets(Net of Expense) | 2,978.05 | 4,039.36 |
| **Total** | **2,978.05** | **4,039.36** |

20.1 Gain on assignment of assets is Net off by DA Collection expenses amounting of ₹1869.06 Lakhs (P.Y. of ₹2191.60 Lakhs).

## 21 Fees and Commission Income

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Processing fees Income | 2,281.40 | 1,745.05 |
| Service Fees and facilitation Charges | 217.28 | 224.21 |
| Other Fees & Charges | 42.82 | 16.32 |
| **Total** | **2,541.50** | **1,985.57** |

## 22 Net gain on Fair Value Changes

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| **Gain/ (Loss) on Financial Instruments at FVPTL** | | |
| Gain/ (Loss) on Fair Value of Mutual Fund | - | 61.59 |
| **Others** | | |
| Gain on Sale of Investment | 384.90 | 581.70 |
| **Total** | **384.90** | **643.29** |
| **Fair Value Changes** | | |
| Realized | 384.90 | 581.70 |
| Unrealized | - | 61.59 |
| **Total** | **384.90** | **643.29** |

## 23 Net Gain on Sale of financial instrument

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Net Gain on Sale of financial instrument | - | 3,675.00 |
| **Total** | **-** | **3,675.00** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

### 24 Other Income

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Net Profit on Derecognition of Property, Plant & Equipment | 0.07 | - |
| **Total** | **0.07** | - |

### 25 Finance Costs (On Financial Liabililties measured at Amortised Cost)

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Interest Expense on Borrowings | 6,498.07 | 10,625.11 |
| Interest Expense on Debt Securities | 2,275.72 | 2,296.22 |
| Interest Expense on Subordinated Debt | 149.59 | 184.23 |
| Interest Expense on Others | 5,094.03 | 5,454.80 |
| Other Borrowing Costs | 1,078.91 | 1,431.59 |
| Interest Expense on Lease Liability | 23.25 | 9.06 |
| **Total** | **15,119.55** | **20,001.01** |

### 26 Impairment of Loan Assets (On Financial Assets measured at FVOCI)

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Bad debts written off (Net) | 16,509.40 | 21,879.84 |
| Expected Credit Loss(Net) | (4,183.77) | 1,643.73 |
| **Total** | **12,325.63** | **23,523.57** |

26.1 Details of Expected Credit Loss in respect of Loans and interest Receivable on Credit Impaired Loans refer Note No 3.3 and Note No 5.2.

26.2 Bad debts written off is net off by bad debts recovery of ₹9,91,43,488/-(P.Y.1,83,36,998/- )

### 27 Employee Benefit Expenses

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Salaries and wages | 7,709.04 | 6,117.59 |
| Share Based Payment | 283.61 | 461.49 |
| Contribution to provident and other funds | 565.81 | 542.90 |
| Gratuity Expense | 196.81 | 75.88 |
| Staff welfare expenses | 606.08 | 340.51 |
| **Total** | **9,361.35** | **7,538.38** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**27.1 Employee Benefit Plan:**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

**a) Defined contribution plan:**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹565.81 Lakhs (31 March 2025: ₹542.9 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

**b) Defined benefit plan:**

**Financial assets not measured at fair value**

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**The status of gratuity plan required under Ind AS 19 is an under:**

i)

| **Reconciliation of opening and closing balances of defined benefit obligation** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| **Opening Defined Benefit Obligation** | 216.27 | 174.13 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 85.10 | 63.43 |
| Interest cost | 14.27 | 12.45 |
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (5.08) | 5.70 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (29.40) | (26.25) |
| Past service cost | 97.44 | - |
| Loss (gain) on curtailments | - | - |
| Liabilities extinguished on settlements | - | - |
| Liabilities assumed in an amalgamation in the nature of purchase | | |
| Exchange differences on foreign plans | | |
| Benefit paid from funds | - | - |
| Benefits paid by Company | (7.53) | (13.20) |
| **Closing Defined Benefit Obligation** | **371.07** | **216.27** |

ii)

| **Reconciliation of plan assets** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Opening value of plan assets | 0.01 | 0.01 |
| Transfer in/(out) plan assets | - | - |
| Expense deducted from the fund | - | - |
| Interest Income | 0.00 | 0.00 |
| Return on plan assets excluding amounts included in interest income | - | 0.00 |
| Assets Distributed on settlements | - | - |
| Contribution by the company | - | - |
| Assets acquired in an amalgamation in the nature of purchase | - | - |
| Exchange difference on foreign plans | - | - |
| Benefits paid | - | - |
| **Fair value of plan assets at the end of the year** | **0.01** | **0.01** |

iii)

| **Reconciliation of net defined benefit liability** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Net opening provision in books of accounts | 216.26 | 174.12 |
| Transfer in/(out) obligation | - | - |
| Transfer (in)/out plan assets | - | - |
| Employee Benefit Expense | 196.81 | 75.88 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

iii)

| **Reconciliation of net defined benefit liability** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Amounts recognized in Other Comprehensive Income | (34.48) | (20.55) |
| | **378.59** | **229.46** |
| Benefits paid by the Company | (7.53) | (13.20) |
| Contributions to plan assets | - | - |
| **Closing provision in books of accounts** | **371.06** | **216.26** |

iv)

| **Composition of plan assets** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Government of India Securities | 0% | 0% |
| State Government Securities | 0% | 0% |
| High quality corporate bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Special Deposit Scheme | 0% | 0% |
| Policy of Insurance | 100% | 100% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| **Total** | **100%** | **100%** |

v)

| **Expense recognised during the year** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Current service cost | 85.10 | 63.43 |
| Past service cost | 97.44 | |
| Interest cost | 14.27 | 12.45 |
| Past service cost | - | - |
| **Expense recognised in the statement of profit and loss** | **196.81** | **75.88** |

vi)

| **Other comprehensive income** | **Year Ended March 31, 2026** | **Year Ended March 31, 2025** |
|---|---|---|
| Components of actuarial gains/losses on obligations: | | |
| Due to change in financial assumptions | (5.08) | 5.70 |
| Due to change in Demographic assumptions | - | - |
| Due to experience adjustments | (29.40) | (26.25) |
| Return of plan assets excluding amounts included in interest income | - | - |
| **Amounts recognized in Other Comprehensive (Income)/ Expense** | **(34.48)** | **(20.55)** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| vii) Principal actuarial assumptions | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Discount rate(per annum) | 6.90% | 6.60% |
| Rate of return on plan assets (p.a.) | 7.36% | 7.36% |
| Annual increase in salary cost | 6.00% | 6.00% |
| **Withdrawal rates per annum** | | |
| 25 and below | 25% | 25% |
| 26 to 35 | 25% | 25% |
| 36 to 45 | 20% | 20% |
| 46 to 55 | 10% | 10% |
| 56 and above | 5% | 5% |

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

**VIII) Sensitivity analysis**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

| Particulars | Year Ended 31st March, 2026 | | Year Ended 31st Mar, 2025 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount rate(- / +0.5%) | 380.17 | 362.44 | 221.74 | 211.08 |
| (% change compared to base due to sensitivity | 2.45% | -2.33% | 2.53% | -2.40% |
| Salary growth rate (- / + 0.5%) | 362.69 | 379.76 | 211.05 | 221.69 |
| (% change compared to base due to sensitivity | -2.26% | 2.34% | -2.41% | 2.51% |
| Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%) | 378.36 | 363.92 | 222.27 | 210.56 |
| (% change compared to base due to sensitivity | 1.96% | -1.93% | 2.77% | -2.64% |

**IX) Asset liability matching strategies**

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

**X) Effect of plan on the company's future cash flows**

**a) Funding arrangements and funding policy**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**b) Maturity analysis of defined benefit obligation**

The Weighted Average Duration (Years) as at valuation date is 4.89 years.

| Years | Cash flows (₹Lakhs) | Distributions (%) |
|---|---|---|
| 1st Following year | 68.31 | 12.20% |
| 2nd Following year | 51.26 | 9.20% |
| 3rd Following year | 52.54 | 9.40% |
| 4th Following year | 49.96 | 9.00% |
| 5th Following year | 46.71 | 8.40% |
| Sum of years 6 to 10 | 147.20 | 26.40% |

The future accrual is not considered in arriving at the above cash-flows.

**XI)** The expected contribution for the next year is ₹53.86 Lakhs

## 28 Depreciation and Amortisation

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Depreciation on Property, Plant & Equipments | 81.74 | 97.51 |
| Amortization on Right of use Asset | 38.56 | 36.27 |
| Amortisation of Intangible Asset | 8.59 | 8.27 |
| **Total** | **128.89** | **142.04** |

## 29 Other Expenses

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Electricity & fuel charges | 70.50 | 64.36 |
| Repairs to Building | 17.25 | 17.10 |
| Insurance | 1,395.37 | 132.00 |
| Rent (Refer Note 34) | 529.63 | 433.91 |
| Rates & taxes | 54.06 | 54.87 |
| Bank Charges | 8.60 | 11.13 |
| Stationery & printing | 53.77 | 54.54 |
| Communication | 67.11 | 66.23 |
| Traveling & conveyance expenses | 1,239.87 | 1,225.24 |
| Professional fees | 571.01 | 573.55 |
| | | |
| **Auditor's Remuneration** | | |
| Audit fees | 10.00 | 7.00 |
| Tax Audit Fees | 1.00 | - |
| Certifications & Others | - | 0.63 |
| | 11.00 | 7.63 |
| | | |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Corporate Social Responsibility Expenditure(refer Note 33) | 187.03 | 200.91 |
| Director sitting fees | 2.20 | 1.40 |
| Net Loss on Derecognition of Intangible Assets | - | - |
| General charges | 127.60 | 186.24 |
| (including security charges & membership fees etc.) | | |
| **Total** | **4,334.99** | **3,029.10** |

**30 Tax Expenses**

**The Components of income tax expense for the Quarter ended 31st March, 2026 and 31st March, 2025 are:**

| | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| The Components of income tax expense for the Quarter ended 31st March, 2026 and 31st March, 2025 are: | 96.90 | 566.00 |
| Adjustment in respect of current tax of prior years | - | 131.87 |
| Deferred tax | 631.77 | (478.72) |
| **Total Tax Expense** | **728.67** | **219.15** |
| **Total tax charge** | | |
| Current Tax | 96.90 | 697.87 |
| Deferred Tax | 631.77 | (478.72) |
| **Total** | **728.67** | **219.15** |

**30.1 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 31st March, 2026 and 31st March, 2025 is, as follows:

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Accounting profit before tax expense | 2,017.03 | 1,003.84 |
| Income tax rate % | 25.17% | 25.17% |
| **Expected tax expense** | **507.65** | **252.65** |
| **Tax effect of :** | | |
| Tax effect of Temporary differences | (490.03) | (857.74) |
| Tax effect of deductible expenses | (1,788.59) | (415.45) |
| Tax effect of disallowed expenses | 47.07 | 50.57 |
| Tax Effect on other adjustments | 2,452.58 | 1,189.12 |
| **Tax expense Recognised in the Statement of Profit and Loss** | **728.67** | **219.15** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**31 Earning Per Share:**

| Particulars | | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|---|
| Numerator used for calculating Basic Earning per share (PAT) | In ₹ | 1,288.36 | 784.69 |
| Numerator used for calculating Diluted Earning per share (PAT) | In ₹ | 1,288.36 | 784.69 |
| Weighted average no. of shares used as denominator for calculating basic earnings per share | Shares In Nos. | 528.60 | 520.09 |
| Weighted average no. of shares used as denominator for calculating diluted earnings per share | Shares In Nos. | 528.60 | 520.09 |
| Nominal value per Share | In ₹ | 10.00 | 10.00 |
| Basic earnings per share | In ₹ | 2.44 | 1.51 |
| Diluted earnings per share | In ₹ | 2.44 | 1.51 |

**30.1** Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

| Ratio | Capital to risk-weighted assets ratio (CRAR) | Tier I CRAR | Tier II CRAR | Liquidity Coverage Ratio |
|---|---|---|---|---|
| **Numerator** | **Tier 1 & 2 Capital** | **Tier 1 Capital** | **Tier 2 Capital** | **Highly Liquid Assets** |
| **Denominator** | **Risk weighted Assets** | **Risk weighted Assets** | **Risk weighted Assets** | **Total net cash outflows over the next 30 days** |
| **March 31, 2026** | | | | |
| Numerator (₹In Lacs) | 64,430.26 | 63,607.61 | 822.65 | 7,208.60 |
| Denominator (₹In Lacs) | 1,57,109.01 | 1,57,109.01 | 1,57,109.01 | 4,739.14 |
| **Ratio (%)** | **41.01%** | **40.49%** | **0.52%** | **152.11%** |
| **March 31, 2025** | | | | |
| Numerator ₹ | 63,632.20 | 61,789.15 | 1,843.06 | 25,142.30 |
| Denominator ₹ | 1,31,444.43 | 1,31,444.43 | 1,31,444.43 | 7,280.45 |
| **Ratio (%)** | **48.41%** | **47.01%** | **1.40%** | **345.34%** |
| % Variance | -15.29% | -13.87% | (62.66%) | (55.95%) |
| Reason for variance (if above 25%) | | | Due to Increase in Loan Assets | Due to Decrease in fixed deposit |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**32 Contingent liabilities not provided for:**

(i) Goods and Service Tax (GST)

(a) Disputed Demand of GST amounting to ₹3.34 Lacs (Previous Year. ₹3.34 Lacs) against which company had paid ₹0.17 Lacs (Previous Year. ₹0.17 Lacs) under protest.

**33** The gross amount required to be spent by the Company during the year towards CSR expense is ₹187.02 Lakhs (March 31, 2025: 198.73 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| (a) Gross amount required to be spent by the company during the year | 187.02 | 198.73 |
| (b) Amount spent during the year | | |
| i) Paid in Cash | 187.03 | 200.91 |
| ii) Transferred to unspent CSR a/c U/s 135(6) | - | - |
| **Total of Amount Spent (refer note 28)** | **187.03** | **200.91** |

**Nature of CSR activities:** To conduct various educational programs to help the needy / poor children by providing them financial support, providing scholarship, providing free note books / text books, providing them training of Computer or training for various skill development, and providing education infrastructure where they can get better education and can enhance their skills. In addition, the Company undertakes initiatives to provide medical facilities and healthcare support to the needy.

**34 Leasing Arrangements:**

The Company has entered into lease and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

**I. Amount Recognized in Statement of Profit & loss**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| i) Expenses related to Short Term Lease | 529.63 | 433.91 |
| ii) Interest Expense on Lease Liability | 23.25 | 9.06 |
| iii) Depreciation charge for right-of-use assets | 38.50 | 36.27 |
| **Total** | **591.38** | **479.24** |

**II. Amounts recognized in statement of cash flows (including Interest Component)**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Total cash outflow for leases | 50.47 | 46.70 |

**III. Additions to right-of-use assets**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Addition to Right of used assets added | 151.79 | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**IV. Maturity analysis of lease liabilities**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| **Maturity Analysis of contractual undiscounted cash flows:** | | |
| Within one year | 52.04 | 28.15 |
| After one year but not more than five years | 286.05 | 114.35 |
| More than five years | - | - |
| **Total undiscounted lease liabilities** | **338.09** | **142.50** |
| **Balances of Lease Liabilities** | | |
| Non-Current | 213.46 | 98.66 |
| Current | 31.13 | 21.37 |
| **Total Lease Liability** | **244.59** | **120.03** |

**35. Segment Reporting:**

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

**36 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:**

List of related parties with whom transactions have taken place during the year:

**A) Holding Company**

Arman Financial Services Limited

**B) Key Managerial Personnel**

Mr. Jayendra Patel (Whole time Director)

Mr. Aalok Patel (Chairman & Managing Director)

Mr. Chirag Vora (Chief Financial Officer)

Mr. Urvish Karathiya (Company Secretary)

**C) Non-Executive Director and Relatives of Key Managerial Personnel**

| Name of Party | Related party Relationship |
|---|---|
| Mr. Pinakin Shah | Independent Director |
| Mrs. Ritaben Patel | Non-Executive Director |
| Mrs. Sajni Aalok Patel | Relative of Key Managerial Personnel |
| Mr. Yash Shah | Independent Director |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**D) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year**

| Name of Party | Related party Relationship |
|---|---|
| Arman Foundation | Key Managerial personnel is Trustee |

**E) Details of Transactions with related parties carried out in the ordinary course of business:**

| Particulars | Year Ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Holding Company | Key Managerial Personnel | Other Director and Relatives of person who has control or significant influence on KMP | Total |
| **Expenses** | | | | |
| Interest Expense | 166.63 | Nil | Nil | 166.63 |
| Remuneration & perquisites Paid | Nil | 140.35 | Nil | 140.35 |
| Sitting fees | Nil | Nil | 2.20 | 2.20 |
| Rent paid | Nil | Nil | 22.32 | 22.32 |
| CSR Expense | Nil | Nil | 153.51 | 153.51 |
| **Income** | | | | |
| Interest Income | 113.60 | Nil | Nil | 113.60 |
| **Unsecured Loans Taken** | | | | |
| Unsecured Loan Taken | 28,695.17 | Nil | Nil | 28,695.17 |
| Unsecured Loan Repaid (Including Interest) | 21,780.98 | Nil | Nil | 21,780.98 |
| **Unsecured Loans Given** | | | | |
| Unsecured Loan Given | 18,555.78 | Nil | Nil | 18,555.78 |
| Unsecured Loan Received back (Including Interest) | 21,526.86 | Nil | Nil | 21,526.86 |
| **Subscription of Equity Share of Holding Company** | | | | |
| Subscription of Equity Share (including Premium) | Nil | Nil | Nil | Nil |
| Subscription on account of capital contribution in form of share-based payment to employees. | 283.61 | Nil | Nil | 283.61 |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Holding Company | Key Managerial Personnel | Other Director and Relatives of person who has control or significant influence on KMP | Total |
| **Expenses** | | | | |
| Interest Expense | 86.25 | Nil | Nil | 86.25 |
| Remuneration & perquisites Paid | Nil | 122.40 | Nil | 122.40 |
| Sitting fees | Nil | Nil | 1.40 | 1.40 |
| Rent paid | Nil | Nil | 21.25 | 21.25 |
| CSR Expense | Nil | Nil | 62.27 | 62.27 |
| **Income** | | | | |
| Interest Income | 335.08 | Nil | Nil | 335.08 |
| **Unsecured Loans Taken** | | | | |
| Unsecured Loan Taken | 31,270.63 | Nil | Nil | 31,270.62 |
| Unsecured Loan Repaid (Including Interest) | 31,356.86 | Nil | Nil | 31,356.86 |
| **Unsecured Loans Given** | | | | |
| Unsecured Loan Given | 39,819.03 | Nil | Nil | 39,819.03 |
| Unsecured Loan Received back (Including Interest) | 37,296.63 | Nil | Nil | 37,296.63 |
| **Subscription of Equity Share of Holding Company** | | | | |
| Subscription of Equity Share (including Premium) | 7000 | Nil | Nil | 7,000.00 |
| Subscription on account of capital contribution in form of share-based payment to employees. | 461.49 | Nil | Nil | 461.49 |

**F) Details of Balances Outstanding from Related Parties:**

| Particulars | Year Ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Holding Company | Key Managerial Personnel | Other Director and Relatives of person who has control or significant influence on KMP | Total |
| Loan Given Outstanding Balance | 7,080.82 | Nil | Nil | 7,080.82 |
| Issuance of equity shares of holding company to the employees of company at discount (ESOP) | 1,257.62 | Nil | Nil | 1,257.62 |
| Corporate Guarantee Given by Holding Company for loan taken by subsidiary company | 13,500.00 | Nil | Nil | 13,500.00 |
| Outstanding Loan against Corporate Guarantee | 1,215.86 | Nil | Nil | 1,215.86 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Year Ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Holding Company | Key Managerial Personnel | Other Director and Relatives of person who has control or significant influence on KMP | Total |
| Loan Given Outstanding Balance | 2,857.48 | Nil | Nil | 2,857.48 |
| Issuance of equity shares of holding company to the employees of company at discount (ESOP) | 974.01 | Nil | Nil | 974.01 |
| Corporate Guarantee Given by Holding Company for loan taken by subsidiary company | 50,600.00 | Nil | Nil | 50,600.00 |
| Outstanding Loan against Corporate Guarantee | 15,325.12 | Nil | Nil | 15,325.12 |

**List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:**

| Nature of Payments | Related Party | 2025-26 | 2024-25 |
|---|---|---|---|
| Interest Expense | Arman Financial Services Limited | 166.63 | 86.25 |
| Interest Income | Arman Financial Services Limited | 113.60 | 335.08 |
| Loan Taken during the year | Arman Financial Services Limited | 28,695.17 | 31,270.63 |
| Loan and interest repaid during the year | Arman Financial Services Limited | 21,780.98 | 31,356.86 |
| Loan Given during the year | Arman Financial Services Limited | 18,555.78 | 39,819.03 |
| Loan received back during the year | Arman Financial Services Limited | 21,526.86 | 37,296.63 |
| Equity contribution | Arman Financial Services Limited | - | 7,000.00 |
| Capital Contribution (ESOP) | Arman Financial Services Limited | 283.61 | 461.49 |
| Remuneration | Aalok Patel | 53.04 | 44.64 |
| | Jayendra Patel | 65.00 | 58.76 |
| | Vivek Modi (In FY 2024-25 it is Upto 13th August 2024) | - | 6.33 |
| | Chirag Vora (In FY 2024-25 it is from 14th August 2024) | 14.73 | 7.92 |
| | Urvish Karathiya | 7.57 | 4.75 |
| Rent | Ritaben J. Patel | 17.29 | 16.47 |
| | Sajniben A Patel | 2.51 | 2.39 |
| | Aakash Jayendra Patel HUF | 2.51 | 2.39 |
| Sitting Fees | Ritaben J. Patel | 0.90 | 0.80 |
| | Ramakant Nagpal | - | 0.20 |
| | Pinakin Shah | 1.00 | 0.40 |
| | Yash Shah | 0.30 | - |
| CSR Expense | Arman Foundation | 153.51 | 62.27 |
| Corporate Guarantee Given By Holding Company for loan taken by subsidiary company | Arman Financial Services Limited | 13,500.00 | 50,600.00 |
| Outstanding Loan against Corporate Guarantee | | 1,215.86 | 15,325.12 |

Note: Expenses towards Gratuity are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in above information.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**G)** Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements

**Transactions with key management personnel are as follows:**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| Post-employment benefits | 11.28 | 6.93 |
| **Total** | **11.28** | **6.93** |

## 37. Revenue from contracts with customers:

Refer Para 3.9 (I) of Material Accounting Policy to the financial statements.

## 38 The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled..

| Particulars | Note No. | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **ASSETS** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash and cash equivalents | 1 | 1,294.05 | - | 1,294.05 | 6,294.09 | - | 6,294.09 |
| Bank Balance other than above | 2 | 23,277.71 | 666.07 | 23,943.78 | 24,003.49 | 2,665.75 | 26,669.24 |
| Loans | 3 | 83,990.33 | 68,067.44 | 1,52,057.77 | 82,222.32 | 33,729.25 | 1,15,951.57 |
| Investments | 4 | 2,110.38 | - | 2,110.38 | 3,897.15 | - | 3,897.15 |
| Other Financial assets | 5 | 2,208.29 | 53.64 | 2,261.93 | 3,378.02 | 330.52 | 3,708.54 |
| **Non-financial Assets** | | | | | - | - | |
| Current tax Assets (Net) | 6 | 582.84 | - | 582.84 | 446.56 | - | 446.56 |
| Deferred tax Assets (Net) | 7 | 1,412.54 | - | 1,412.54 | 1,919.24 | - | 1,919.24 |
| Property, Plant and Equipment & Other Intangible assets | 8 | - | 401.89 | 401.89 | - | 459.11 | 459.11 |
| Right-of-Use Assets | 8 | - | 218.44 | 218.44 | - | 105.21 | 105.21 |
| Other non-financial assets | 9 | 308.13 | - | 308.13 | 94.48 | 3.91 | 98.39 |
| **Total Assets** | | **1,15,184.27** | **69,407.48** | **1,84,591.75** | **1,22,255.36** | **37,293.76** | **1,59,549.12** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Particulars | Note No. | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **LIABILITIES AND EQUITY** | | | | | | | |
| **LIABILITIES** | | | | | | | |
| **Financial Liabilities** | | | | | | | |
| (I) Other Payables | 10 | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 26.81 | - | 26.81 | 52.42 | - | 52.42 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.62 | - | 36.62 | 49.73 | - | 49.73 |
| Debt Securities | 11 | 9,391.20 | 30,750.83 | 40,142.02 | 12,144.74 | 7,352.77 | 19,497.52 |
| Borrowings (Other than Debt Securities) | 12 | 53,104.76 | 18,144.12 | 71,248.88 | 47,806.41 | 16,661.98 | 64,468.40 |
| Subordinated Liabilities | 13 | - | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 |
| Other financial liabilities | 14 | 6,285.48 | 244.59 | 6,530.07 | 10,133.41 | 130.66 | 10,264.08 |
| **Non-Financial Liabilities** | | | | | - | - | |
| Provisions | 15 | 371.06 | - | 371.06 | 216.26 | - | 216.26 |
| Other non-financial liabilities | 16 | 201.95 | - | 201.95 | 166.47 | 0.00 | 166.47 |
| **EQUITY** | | | | | - | - | |
| Equity Share capital | 17 | - | 5,286.00 | 5,286.00 | - | 5,286.00 | 5,286.00 |
| Other Equity | 18 | - | 59,748.33 | 59,748.33 | - | 58,548.24 | 58,548.24 |
| **Total Liabilities and Equity** | | 69,417.87 | 1,15,173.88 | 1,84,591.75 | 70,569.45 | 88,979.67 | 1,59,549.12 |




# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*


## 39 Fair Value Measurements:

**A Financial instrument by category and their fair value**

| As at March 31, 2026 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | - | - | 1,52,057.77 | - | | 1,52,057.77 | 1,52,057.77 |
| Investments | 4 | - | 2,110.38 | - | - | 2,110.38 | - | 2,110.38 |
| Cash and Cash Equivalents | 1 | 1,294.05 | - | - | 1,294.05 | - | - | 1,294.05 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 & 5 | 24,626.53 | - | - | - | 24,626.53 | - | 24,626.53 |
| Deposits | 5 | 36.72 | - | - | - | - | 36.72 | 36.72 |
| Income Receivable from Direct Assignment | 5 | 1,407.07 | - | - | - | - | 1,407.07 | 1,407.07 |
| Other Loans | 5 | 61.07 | - | - | - | - | 61.07 | 61.07 |
| Interest Due but not Received on Loans & Advances | 5 | 74.32 | - | - | - | - | 74.32 | 74.32 |
| **Total Financial Assets** | | **27,499.76** | **2,110.38** | **1,52,057.77** | **1,294.05** | **26,736.91** | **1,53,636.95** | **1,81,667.91** |
| **Financial Liabilities** | | | | | | | | |
| Debt Securities | 10 | 40,142.02 | - | - | - | - | 40,142.02 | 40,142.02 |
| Borrowings (Other than Debt Securities) | 11 | 71,248.88 | - | - | - | - | 71,248.88 | 71,248.88 |
| Subordinated Liabilities | 12 | 1,000.00 | - | - | - | - | 1,000.00 | 1,000.00 |
| Other Payables | 9 | 63.43 | - | - | - | - | 63.43 | 63.43 |
| Other financial liabilities | 13 | 6,530.07 | - | - | - | - | 6,530.07 | 6,530.07 |
| **Total Financial Liabilities** | | **1,18,984.41** | **-** | **-** | **-** | **-** | **1,18,984.41** | **1,18,984.41** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| As at March 31, 2025 | Note No. | Carrying Amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | FVOCI | FVTPL | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Loans | 3 | 2,857.48 | - | 1,13,094.10 | - | - | 1,15,951.57 | 1,15,951.57 |
| Investments | 4 | - | 3,897.15 | - | 773.41 | 3,123.75 | - | 3,897.15 |
| Cash and Cash Equivalents | 1 | 6,294.09 | - | - | 6,294.09 | - | - | 6,294.09 |
| Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits) | 2 & 5 | 27,475.24 | - | - | - | 27,475.24 | - | 27,475.24 |
| Deposits | 5 | 29.94 | - | - | - | - | 29.94 | 29.94 |
| Income Receivable from Direct Assignment | 5 | 2,120.70 | - | - | - | - | 2,120.70 | 2,120.70 |
| Other Loans | 5 | 109.22 | - | - | - | - | 109.22 | 109.22 |
| Interest Due but not Received on Loans & Advances | 5 | 642.69 | - | - | - | - | 642.69 | 642.69 |
| **Total Financial Assets** | | **39,529.35** | **3,897.15** | **1,13,094.10** | **7,067.50** | **30,598.98** | **1,18,854.12** | **1,56,520.60** |
| **Financial Liabilities** | | | | | | | | |
| Debt Securities | 10 | 19,497.52 | - | - | - | - | 19,497.52 | 19,497.52 |
| Borrowings (Other than Debt Securities) | 11 | 64,468.40 | - | - | - | - | 64,468.40 | 64,468.40 |
| Subordinated Liabilities | 12 | 1,000.00 | - | - | - | - | 1,000.00 | 1,000.00 |
| Other Payables | 9 | 102.15 | - | - | - | - | 102.15 | 102.15 |
| Other financial liabilities | 13 | 10,264.08 | - | - | - | - | 10,264.08 | 10,264.08 |
| **Total Financial Liabilities** | | **95,332.14** | **-** | **-** | **-** | **-** | **95,332.14** | **95,332.14** |

**B Reconciliation of level 3 fair value measurement is as follows:**

| Loans | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Balance at the beginning of the year | 1,15,951.57 | 1,62,607.18 |
| Addition during the year | 1,57,555.35 | 1,04,786.84 |
| Amount derecognised / repaid during the year | (1,09,123.53) | (1,27,835.38) |
| Amount written off | (17,500.84) | (22,063.21) |
| Bad Debts Recovery | 991.43 | 183.37 |
| Gains/(losses) recognised in Statement of Profit & Loss | 4,183.77 | (1,727.22) |
| **Balance at the end of the year** | **1,52,057.77** | **1,15,951.57** |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**C Measurement of fair values**

**I. Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

**II. Financial instruments - fair value**

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

**III. Transfers between levels I and II**

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

**IV. Valuation techniques**

**Loans**

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last seven days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

**D Capital**

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, 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.

**D.1 Capital management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

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.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**D.2**

| Regulatory capital | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Tier 1 Capital | 63,607.61 | 61,789.15 |
| Tier 2 Capital | 822.65 | 1,843.06 |
| Risk Weighted Assets | 1,57,109.01 | 1,31,444.43 |
| Tier 1 Capital Ratio(%) | 40.49 | 47.01 |
| Total Capital Ratio(%) | 41.01 | 48.41 |

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

## 40 Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

| Particulars | Note Reference | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **Financial Assets** | | | |
| Loans | 3 | 90,659.10 | 87,394.21 |
| Investments | 4 | - | 773.40 |
| Fixed Deposit and accrued Interest | 2 | 20,388.02 | 25,043.97 |
| **Total Financial Assets pledged as Security** | | **1,11,047.11** | **1,13,211.57** |

## 41 Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise borrowings 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 loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market 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, 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.

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'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.

### 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 receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Loans and advances:**

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 risk management committee 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.

**The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:**

| Particulars | Carrying amount | |
|---|---|---|
| | As at 31st March, 2026 | As at 31st March, 2025 |
| Retail assets | 1,52,057.77 | 1,13,094.10 |
| Loans to NBFC-to Create the underlying assets of SME, TW & LAP | - | 2,857.48 |
| **Total** | **1,52,057.77** | **1,15,951.57** |

**II Credit Guarantee Coverage under CGFMU**

The company is registered under the Credit Guarantee Fund for Micro Units (CGFMU) Scheme of the National Credit Guarantee Trustee Company (NCGTC). It has obtained credit guarantee coverage for disbursements made during FY 2024–25 and FY 2025–26. The details of the coverage are as follows:

| Period | No.of Account | Disbursement | O/s as on 31.03.2026 |
|---|---|---|---|
| Crystallized portfolio of disbursement in FY 2024-25 | 118964 | 56,615.15 | 28,543.42 |
| Quarter 1 (April-June'25) | 52892 | 26,351.72 | 17,662.37 |
| Quarter 2 (July-Sep'25) | 56260 | 32,668.85 | 26,546.64 |
| Quarter 3 (Oct-Dec'25) | 57571 | 36,714.65 | 40,729.18 |
| Quarter 4 (Jan-Mar'26) | 91896 | 74,095.02 | 72,618.02 |
| **Total** | **377583** | **2,26,445.39** | **1,86,099.62** |

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. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

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 but the company has only one portfolio group i.e. Micro Finance to JLG group.

**Staging:**

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. 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.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

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 |
| 31-60 days | Stage 2 | Lifetime Provision |
| 61-90 days | Stage 2 | Lifetime Provision |
| 90+ days | Stage 3 | Lifetime Provision |

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Company has assessed that credit risk on loans to employee is in significant based on the empirical data.

**EXPECTED CREDIT LOSS FOR LOANS:**

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

**Marginal probability of default:**

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data."

**Marginal probability:**

The PDs derived from the Vasicek 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."



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Conditional marginal probability:**

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

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

**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. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

   a) Outstanding balance (POS).

   b) Recovery amount (discounted yearly) by initial contractual rate.

   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

**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. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the 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.

**Changes in ECL allowances in relation to loans from beginning to end of reporting period:**

| Particulars | Year Ended 31st March, 2026 | Year Ended 31st March, 2025 |
|---|---|---|
| Opening provision of ECL | 0.09 | 7,294.33 |
| Addition during the year | 10,061.50 | 9,649.32 |
| Utilization / reversal during the year | (14,245.28) | (7,922.10) |
| **Closing provision of ECL** | **(4,183.68)** | **9,021.55** |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Changes in ECL allowances in relation to Interest Receivable on Credit Impaired Loans and Advances from beginning to end of reporting period:**

| Particulars | Year Ended 31st March, 2026 | Year Ended 31st March, 2025 |
|---|---|---|
| Opening provision of ECL | 516.52 | 600.02 |
| Addition during the year | 457.78 | 512.18 |
| Utilization / reversal during the year | (516.42) | (595.68) |
| **Closing provision of ECL** | **457.88** | **516.52** |

The Company has taken expert advise from Actuary Valuer for making provision for ECL and accounted ECL provision based on Valuation report provided by Kapadia Actuaries and Consultants.

**II Liquid 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 unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2026 is 41.01 against regulatory norms of 15%. Tier I capital is 40.49 as against requirement of 10%. Tier II capital is 0.52 which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

During the year, the Company has maintained around 20% to 27% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes 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.

| | 1 Day to 30/31 Days (One Month) | Over One Month up to 2 Months | Over 2 Months up to 3 Months | Over 3 Months up to 6 Months | Over 6 Months up to 1 Year | Over 1 Year up to 3 Years | Over 3 Year up to 5 Years | Over 5 Years | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As At 31st March, 2026** | | | | | | | | | |
| Debt Securities (Refer Note 10 ) | - | 3,363.60 | 4,527.60 | 500.00 | 1,000.00 | 30,750.83 | - | - | 40,142.02 |
| Borrowings & Subordinated Liabilities (Refer Note 11 & 12 ) | 4,107.78 | 3,700.12 | 3,303.28 | 8,783.01 | 33,210.57 | 19,144.12 | - | - | 72,248.88 |
| Trade Payables | 63.43 | - | - | - | - | - | - | - | 63.43 |



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for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| | 1 Day to 30/31 Days (One Month) | Over One Month up to 2 Months | Over 2 Months up to 3 Months | Over 3 Months up to 6 Months | Over 6 Months up to 1 Year | Over 1 Year up to 3 Years | Over 3 Year up to 5 Years | Over 5 Years | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As At 31st March, 2025** | | | | | | | | | |
| Debt Securities (Refer Note 10 ) | - | 4,907.46 | - | 2,072.19 | 5,165.10 | 7,352.77 | - | - | 19,497.52 |
| Borrowings & Subordinated Liabilities (Refer Note 11 & 12 ) | 5,333.39 | 4,657.94 | 4,528.41 | 12,363.36 | 20,923.30 | 17,661.98 | - | - | 65,468.40 |
| Trade Payables | 102.15 | - | - | - | - | - | - | - | 102.15 |

**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 and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**IV 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 borrowings and 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.

**Sensitivity**

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

| Change in interest rates | For the year ended on March 31, 2026 | |
|---|---|---|
| | 50 bp increase | 50 bp decrease |
| Bank Deposits (Refer Note 2) | 23,943.78 | 23,943.78 |
| Impact on profit for the year | 119.72 | (119.72) |
| Variable Rate Borrowings (Refer Note 11) | 71,248.88 | 71,248.88 |
| Impact on profit for the year | (356.24) | 356.24 |

**V Foreign currency risk:**

As at March 31, 2026, the company has outstanding foreign currency borrowings of Nil (March 31, 2025: Nil ).

## 42 Additional Regulatory Disclosures (Non IND AS):

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013 are given only to the extent applicable:

i. During the year under Consideration the company has not traded or invested in crypto currency or virtual currency.

ii. The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

iii. The borrowing from the banks & financial institutions has been used for the specific purpose for which it was taken at the balance sheet date.

iv. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2026 and 31 March 2025, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2026 and 31 March 2025."

v. The company has not entered in to transaction with any companies which are struck off under section 248 of the Companies Act, 2013.

vi. During the year there has been no change in the aggregate of the net carrying value of assets on account of revaluation in respect of Property, Plant & Equipment and intangible assets.

vii. There are no intangible assets under development in the Company during the current reporting period.

viii. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above.

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

ix. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2026 and March 31, 2025.

x. There are no charge which are pending for satisfaction with registrar of companies beyond the statutory period except.

| Description of Charges | Charges Creation ₹ In Lakhs | Location of Registrar | Period up to which satisfaction registered | Reason for Delay |
|---|---|---|---|---|
| Term Loan from Following Banks & Financial Institutes | | | | |
| CSB Bank Limited | 2,000.00 | Gujarat | -- | The Company has repaid loans but NOC from respective Banks and financial Institutions are received in April 2025. |
| Piramal trusteeship services private limited | 5,000.00 | | | |
| Maanaveeya development & finance private limited | 2,500.00 | | | |
| Bajaj Finance Limited | 1,500.00 | Gujarat | -- | The Company has repaid loans but NOC from respective Banks and financial Institutions are received in May 2025. |
| Axis Bank Limited | 3,000.00 | | | |
| DCB Bank Limited | 3,000.00 | | | |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**43 Disclosures required as per Circular DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025.:**

**A. Capital to risk assets ratio (CRAR)**

| Sr. No. | Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| (I) | CRAR (%) | 41.01% | 48.41% |
| (II) | CRAR Tier I Capital (%) | 40.49% | 47.01% |
| (III) | CRAR Tier II Capital (%) | 0.52% | 1.40% |
| (IV) | Amount of subordinated debt raised as Tier-II Capital | 1000 | 1000 |
| (V) | Amount raised by issue of perpetual debt instruments | Nil | Nil |

**B. Investments**

| Particulars | | | March 31, 2026 | March 31, 2025 |
|---|---|---|---|---|
| (1) | Value of investments | | | |
| | **(i) Gross value of investments** | | | |
| | (A) | In India | 2,110.38 | 3,897.15 |
| | (B) | Outside India | Nil | Nil |
| | **(ii)** | **Provision for deprecation** | | |
| | (A) | In India | Nil | Nil |
| | (B) | Outside India | Nil | Nil |
| | **(iii)** | **Net value of investments** | | |
| | (A) | In India | 2,110.38 | 3,897.15 |
| | (B) | Outside India | Nil | Nil |
| (2) | Movement of provisions held towards Depreciation on investments. | | | |
| | (i) | Opening balance | Nil | Nil |
| | (ii) | Add: provisions made during the year | Nil | Nil |
| | (iii) | Less: write-off/write-back of excess provisions during the year. | Nil | Nil |
| | (iv) | Closing balance | Nil | Nil |

**C.** Company has no transactions /exposures in derivatives in the current year and previous year. Un-hedge foreign currency exposure as on 31st March, 2026 is Nil (P.Y. is Nil).

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**D. Disclosure relating to securitization:**

The Company has entered into transaction of Securitization (PTC) of ₹ Nil during the Year Ended March 31, 2026 and previous years of ₹ Nil Lakhs.

| Sr No | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 1) | No. of SPV's sponsored by the company for securitization transactions | Nil | Nil |
| 2) | Total amount of securitized assets as per books of the SPVs sponsored by the Company | Nil | Nil |
| 3) | Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet | | |
| | a) Off-balance sheet exposures | | |
| | • First loss | | |
| | • Others | | |
| | b) On-balance sheet exposures | | |
| | • First loss | Nil | Nil |
| | • Others | Nil | Nil |
| 4) | Amount of exposures to securitization transactions other than MRR | | |
| | a) Off-balance sheet exposures | | |
| | i) Exposure to own securitizations | | |
| | • First loss | Nil | Nil |
| | • Others | Nil | Nil |
| | ii) Exposure to third party securitizations | Nil | Nil |
| | • First loss | Nil | Nil |
| | • Others | Nil | Nil |
| | b) On-balance sheet exposures | | |
| | i) Exposure to own securitizations | | |
| | • First loss | Nil | Nil |
| | • Others | Nil | Nil |
| | ii) Exposure to third party securitizations | Nil | Nil |
| | • First loss | Nil | Nil |
| | • Others | Nil | Nil |

**E. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction:**

Details as given in Note 43(F).



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**F. Details of Direct assignment transactions undertaken by NBFC:**

| Sr. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| i) | No. of Accounts | 1,04,249 | 1,49,903 |
| ii) | Book value of loans assets assigned during the year | 46,581.27 | 60,638.30 |
| iii) | Sale consideration received during the year | 41,923.14 | 54,574.47 |
| iv) | Additional consideration realized in respect of accounts transferred in earlier years | Nil | Nil |
| v) | Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread) | 2,978.05 | 4,039.36 |

**G. Details of non-performing assets purchase / sold**

The Company has sold past written-off financial assets to securitization/reconstruction Company for asset reconstruction during the Previous year as given below:

| Sr. No. | Particulars | 2025-26 | 2024-25 |
|---|---|---|---|
| I | Number of accounts | Nil | 74,609 |
| Ii | Aggregate value (net of provisions) of accounts sold to SC / RC | Nil | Nil |
| Iii | Aggregate consideration | Nil | 3,675.00 |
| iv | Additional consideration realized in respect of accounts transferred in earlier years | Nil | Nil |
| v | Aggregate gain / (loss) over net book value | Nil | 3,675.00 |

**H. Assets Liability Management**

**Maturity pattern of certain Assets and Liability as on March 31, 2026**

| Particulars | 1-7 days | 8-14 days | 15-30 days | Over 1 month upto 2 month | Over 2 month upto 3 month | Over 3 month & upto 6 month | Over 6 month & upto 1 year | Over 1 year & upto 3 year | Over 3 year & upto 5 year | Over 5 year | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | 350.00 | 3,440.60 | 921.95 | 618.58 | 1,228.93 | 3,004.92 | 13,712.74 | 666.07 | - | - | 23,943.78 |
| Advances (Gross) | 3,505.35 | 2,103.21 | 1,402.14 | 7,360.87 | 7,551.19 | 22,206.55 | 44,698.82 | 68,067.44 | - | - | 1,56,895.55 |
| Investments | - | - | - | - | - | - | 2,110.38 | - | - | - | 2,110.38 |
| Cash & Cash Equivalent | 658.97 | - | 635.08 | - | - | - | - | - | - | - | 1,294.05 |
| Borrowings | 1,643.11 | 1,232.33 | 1,232.33 | 7,063.72 | 7,830.88 | 9,283.01 | 34,210.57 | 49,894.95 | - | - | 1,12,390.90 |
| Foreign currency assets | - | - | - | - | - | - | - | - | - | - | - |
| Foreign currency liabilities (Included in above Borrowings) | - | - | - | - | - | - | - | - | - | - | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**I. Exposure To Capital Market**

The Company has no exposure to capital market directly or indirectly in the current and previous year.

**J. Exposure to Real Estate Sector**

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

**K. Details of financing of parent Company products:**

Not Applicable

**L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC**

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: Nil

**M. Unsecured Advances**

i) Refer Note No. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (March 31, 2026: Nil)

**N. Registration obtained from other financial sector regulators.**

**The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):**

i) Ministry of Corporate Affairs

ii) Ministry of Finance

**O. Disclosure of penalties imposed by RBI and other regulators.**

No penalties imposed by RBI and other regulator during current year and previous year.

**P. Grading assigned by credit rating agencies and migration of ratings during the year-**

The CARE Analytics and Advisory Private Limited has assigned rating of "MFI 1" during the year.

**Q. Rating assigned by credit rating agencies and migration of ratings during the year 2025-26**

| Sr No. | Instrument | Rating Agency | As per Rating Letter dated | Rating Assigned | Valid Up to | Amount (₹ in Lakhs) |
|---|---|---|---|---|---|---|
| 1 | Bank Loan Ratings | Acuite Ratings & Research | 21-Jan-26 | ACUITE A- \| Outlook – Stable | Note 1 | 81000.00 |
| 2 | Non Convertible Debentures | Acuite Ratings & Research | 21-Jan-26 | ACUITE A- \| Outlook - Stable | Note 1 | 43000.00 |
| 3 | Non Convertible Debentures | Care Edge Rating | 31-Dec-25 | CARE A- \| Outlook-Negative | Note 1 | 2275.00 |
| 4 | Non Convertible Debentures | Care Edge Rating | 31-Dec-25 | CARE A- \| Outlook-Negative | Note 1 | 4100.00 |
| 5 | Non Convertible Debentures | Care Edge Rating | 31-Dec-25 | CARE A- \| Outlook- Negative | Note 1 | 2500.00 |
| 6 | Non Convertible Debentures | Care Edge Rating | 31-Dec-25 | CARE A- \| Outlook- Negative | Note 1 | 5000.00 |

**Note 1:** The rating is subject to annual surveillance till final repayment / redemption of rated facilities.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2024-25**

| Sr No. | Instrument | Rating Agency | As per Rating Letter dated | Rating Assigned | Valid Up to | Amount (₹ in Lakhs) |
|---|---|---|---|---|---|---|
| 1 | Bank Loan Ratings | Acuite Ratings & Research | 28-Feb-25 | ACUITEA\|Outlook-Negative | Note 1 | 81000.00 |
| 2 | Non Convertible Debentures | Acuite Ratings & Research | 28-Feb-25 | ACUITEA\|Outlook-Negative | Note 1 | 4000.00 |
| 3 | Non Convertible Debentures | Care Edge Rating | 07-Jan-25 | CARE A- \| Outlook - Stable | Note 1 | 2275.00 |
| 4 | Non Convertible Debentures | Care Edge Rating | 07-Jan-25 | CARE A- \| Outlook - Stable | Note 1 | 4100.00 |
| 5 | Non Convertible Debentures | Care Edge Rating | 07-Jan-25 | CARE A- \| Outlook - Stable | Note 1 | 4250.00 |
| 6 | Non Convertible Debentures | Care Edge Rating | 07-Jan-25 | CARE A- \| Outlook - Stable | Note 1 | 5000.00 |
| 7 | Non Convertible Debentures | CRISIL Ratings | 11-Dec-24 | CRISILBBB+\|Outlook-Stable | Note 1 | 4600.00 |

**Note 1 :**The rating is subject to annual Surveilance till final Repayment/Redemption of rated Facilities.

**R. Remuneration of Directors**

Refer Note no. 36 of Financial Statements

**S. Management**

The annual report has a detailed chapter on Management Discussion and Analysis.

**T. Net Profit of Loss for the period, prior period items and change in accounting policies**

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

**U. Revenue Recognition**

Refer Para 3.1 of Material Accounting Policy to the financial statements.

**V. Ind AS 110 - consolidated financial statements (CFS)**

Not Applicable.

**W. Provisions and Contingencies :**

The information on all provisions and contingencies is as under:

| Break up of 'provisions and contingencies' showed under the head expenditure in the statement of profit and loss. | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| Provision made towards income tax | 96.90 | 697.87 |
| Provision for employee benefits | 196.81 | 75.88 |
| Provision towards impaired assets (Stage3) | 212.39 | (1099.52) |
| Provision towards impaired assets (Stage1 and 2) | (4396.17) | 2826.74 |
| Provision towards Interest on Credit impaired assets | (58.64) | (83.50) |

**X. Drawn down from Reserves:**

There is no draw down from reserves during the year.

**Y. Concentration of deposits (for deposit taking NBFCs)**

Not applicable, Non-Deposit Taking NBFC

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**Z. Concentration of advances**

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

**AA. Concentration of exposure**

The Company is in Retail Advance Segment hence there is no such substantial Concentration.

**BB. Concentration of Stage 3 assets**

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

**CC. Sector-wise Stage 3 assets (Gross) :**

| Sector | % Of Stage 3 assets to Total Advances in that sector as at March 31, 2026 | % Of Stage 3 assets to Total Advances in that sector as at March 31, 2025 |
|---|---|---|
| Micro Finance | 3.40% | 3.36% |

**DD. Movement of Stage 3 Assets:**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| (i) Net stage 3 assets to net advances (%) | 0.95% | 0.37% |
| (ii) Movement of stage 3 assets (gross) | | |
| (a) Opening balance | 4,155.85 | 5046.91 |
| (b) Additions during the year | 8,108.12 | 4,602.12 |
| (c) Reductions during the year | (6,839.75) | (5,493.19) |
| (d) Closing balance | 5,424.22 | 4,155.85 |
| (iii) Movement of net stage 3 assets | | |
| (a) Opening balance | 463.29 | 254.84 |
| (b) Additions during the year | 759.65 | 571.18 |
| (c) Reductions during the year | 296.33 | (362.73) |
| (d) Closing balance | 1,519.27 | 463.29 |
| (iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets) | | |
| (a) Opening balance | 3,692.56 | 4,792.08 |
| (b) Additions during the year | 7,348.48 | 4,031.64 |
| (c) Reductions during the year | (7,136.08) | (5,131.16) |
| (d) Closing balance | 3,904.95 | 3,692.56 |

**EE. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil**



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**FF. Details of Average interest and charges paid on borrowing and charged on loans given to JLG:**

| Particulars | Rate of Interest in % |
|---|---|
| Average interest rate on borrowings | 12.42% |
| Average interest rate on Loans given to JLGs | 28.11% |

**GG. Disclosure Of Customer Complaints**

| Sr. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| a) | No. of complaints pending at the beginning of the year | 1 | 5 |
| b) | No. of complaints received during the year | 220 | 167 |
| c) | No. of complaints redressed during the year | 221 | 171 |
| d) | No. of complaints pending at the end of the year | 0 | 1 |

**Top five grounds of complaints received by the NBFCs from customers:**

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at beginning of year | Number of complaints received during year | % increase/ decrease in number of complaints received over previous year | Number of complaints pending at end of year | Of 5, number of complaints pending beyond 30 days |
|---|---|---|---|---|---|
| **FY 25-26** | | | | | |
| Rectification in Credit Bureau Report | - | 26 | -79.37% | - | - |
| Delay in releasing NOC | - | - | - | - | - |
| Closer & Settlement | - | 54 | 31.71% | - | - |
| Clarification on Statement of Accounts | - | - | - | - | - |
| Others | - | 140 | -100.00% | - | - |
| **FY 24-25** | | | | | |
| Rectification in Credit Bureau Report | - | 126 | 740.00% | - | - |
| Delay in releasing NOC | - | - | - | 1 | - |
| Closer & Settlement | - | 41 | (39.71%) | - | - |
| Clarification on Statement of Accounts | - | - | - | - | - |
| Others | - | - | - | - | - |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**44 Disclosures required as per Circular DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025:**

| Asset Classification as per RBI Norms | Assets Classification AS per IND AS 109 | Gross Carrying Amount as per IND AS | Loss Allowance (Provisions) as required under Ind AS 109 | Net Carrying Amounts | Provisions required as per IRACP Norms* | Difference between IND AS 109 Provision and IRACP Norms |
|---|---|---|---|---|---|---|
| **A. Performing Assets** | | | | | | |
| Standard | Stage- 1 | 1,50,108.96 | 622.65 | 1,49,486.32 | 611.95 | 10.70 |
| | Stage- 2 | 1,362.37 | 310.19 | 1,052.18 | 5.85 | 304.34 |
| **Sub total** | | 1,51,471.33 | 932.83 | 1,50,538.50 | 617.79 | 315.04 |
| **B. Non-Performing Assets** | | | | | | |
| Sub standards | Stage- 3 | 5,424.22 | 3,904.95 | 1,519.27 | 2,461.89 | 1,443.06 |
| Doubtful up to 1 year | Stage- 3 | Nil | Nil | Nil | Nil | Nil |
| 1 to 3 years | Stage- 3 | Nil | Nil | Nil | Nil | Nil |
| More than 3 years | Stage- 3 | Nil | Nil | Nil | Nil | Nil |
| Loss | Stage- 3 | Nil | Nil | Nil | Nil | Nil |
| Subtotal of NPA | | 5,424.22 | 3,904.95 | 1,519.27 | 2,461.89 | 1,443.06 |
| **TOTAL** | Stage 1 | 1,50,108.96 | 622.65 | 1,49,486.32 | 611.95 | 10.70 |
| | Stage 2 | 1,362.37 | 310.19 | 1,052.18 | 5.85 | 304.34 |
| | Stage 3 | 5,424.22 | 3,904.95 | 1,519.27 | 2,461.89 | 1,443.06 |
| | **Total** | **1,56,895.55** | **4,837.78** | **1,52,057.77** | **3,079.69** | **1,758.09** |

*As per Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025 vide reference no. RBI/DOR/2025-26/371, DOR.FIN.REC.290/ 03-10-038/2025-26, provisioning for non-performing assets-related to microfinance loans of NBFC-MFIs is "The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

**45 Disclosures required as per Circular DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025:**

**Liabilities Side:**

**A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid**

| Sr No. | Particulars | Year ended March 31, 2026 | |
|---|---|---|---|
| | | Amount Outstanding | Amount Overdue |
| a) | Debentures: Secured | 40,391.60 | Nil |
| | : Unsecured (Other Than falling within the meaning of public deposits*) | Nil | Nil |
| | | | Nil |
| b) | Deferred Credits | Nil | Nil |



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Sr No. | Particulars | Year ended March 31, 2026 | |
|---|---|---|---|
| | | Amount Outstanding | Amount Overdue |
| c) | Term Loans | 52,675.98 | Nil |
| d) | Inter-Corporate Loans and borrowings | Nil | Nil |
| e) | Commercial Paper | Nil | Nil |
| f) | Other loans: | | |
| | i) From Banks (Cash Credit/OD) | 12,012.30 | Nil |
| | ii) From a Company | Nil | Nil |
| | iii) Security Deposits | Nil | Nil |
| | iv) Advances Received against loan agreements | Nil | Nil |

*Please see note 1 below

**B. Break-up of (1)(f) above (outstanding public deposits* inclusive of interest accrued thereon but but not paid):**

| Sr No. | Particulars | Year ended March 31, 2026 | |
|---|---|---|---|
| | | Amount outstanding | Amount Overdue |
| a) | In the form of unsecured debentures | Nil | Nil |
| b) | In the party secured Debentures i.e. debenture where there is shortfall in the value of security | Nil | Nil |
| c) | Other public deposits | Nil | Nil |

**Asset Side:**

**C. Break-up of loans and advances including bills receivables (other than those included in (D) below)**

| Sr. No. | Particulars | Amount Outstanding (Net of Provisions) |
|---|---|---|
| a) | Secured | Nil |
| b) | Unsecured | 1,52,057.77 |

**D. Break up of leased assets and stock on hire and other assets counting towards AFC activities**

| Sr. No. | Particulars | Amount Outstanding |
|---|---|---|
| (i) | Lease assets including lease rentals under sundry debtors: | |
| | Financial Lease | Nil |
| | Operating Lease | Nil |
| (ii) | Stock on hire including hire charges under sundry debtors: | |
| | a) Assets on hire | Nil |
| | b) Repossessed assets | Nil |
| iii) | Other loans counting towards AFC activities | Nil |
| | a) Loans where assets have been reprocessed | Nil |
| | b) Loans other than a) above | Nil |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**E. Break-up of Investments**

Refer Note 44 (B) Above

**F. Borrower group-wise classification of assets financed as in (C) and (D) above:**

| Sr. No. | Category | Amount net off Provisions | | |
|---|---|---|---|---|
| | | Secured | Unsecured | Total |
| 1 | Related Parties** | | | |
| | a) Subsidiaries | Nil | Nil | Nil |
| | b) Companies with the same group | Nil | Nil | Nil |
| | c) Other related parties | Nil | Nil | Nil |
| 2 | Other than related parties | Nil | 1,52,057.77 | 1,52,057.77 |
| | **Total** | **Nil** | **1,52,057.77** | **1,52,057.77** |

** As per Ind AS issued by MCA (refer note 3 below)

**G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

| Sr No. | Category | Market Value/ Breakup or Fair value of NAV | Book Value (Net of Provision) |
|---|---|---|---|
| **1** | **Related parties**** | | |
| | a) Subsidiaries | Nil | Nil |
| | b) Companies in the same group | Nil | Nil |
| | c) other related parties | Nil | Nil |
| **2** | **Other than related parties** | **2,110.38** | **2,110.38** |
| | **Total** | **2,110.38** | **2,110.38** |

**As per Ind AS issued by MCA (Refer Note 3 below)

**H. Other Information:**

| Sr No | Particulars | Amount |
|---|---|---|
| (i) | Gross non- performing Assets | |
| | a) Related parties | Nil |
| | b) Other than related parties | 5,424.22 |
| (ii) | Net non-performing assets | |
| | a) Related parties | Nil |
| | b) Other than related parties | 1,519.27 |
| (iii) | Assets acquired in satisfaction of debt | Nil |

**Notes:**

1. As defined in point xix of paragraph 3 of Chapter - 2 of these Directions.
2. Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in E above



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**46. Public Disclosure on Liquidity Risk for the Quarter ended March 31, 2026 pursuant to Reserve Bank of India (Non-Banking Financial Companies - Asset Liability Management) Directions, 2025, dated November 28, 2025 on Liquidity Risk Management Framework for Non-Banking Financial Companies:**

**(i) Funding concentration based on significant counterparty (both deposits and borrowings)**

| Particulars | Number of significant counterparties | Amount (₹ in Lakhs) * | % of Total Deposits | % of Total liabilities3 |
|---|---|---|---|---|
| As at March 31, 2026 | 20 | 1,08,272.70 | - | 90.56% |
| As at March 31, 2025 | 24 | 78,700.26 | - | 82.22% |

*Includes securitization liabilities exposure

**(ii) Top 20 large deposits**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total amount of top 20 large deposits | - | - |
| Percentage of amount of top 20 large deposits to total deposits | - | - |

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

**(iii) Top 10 borrowings**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total amount of top 10 borrowings* | 83,879.68 | 51,512.01 |
| Percentage of amount of top 10 borrowings to total borrowings | 70.16% | 53.82% |

*Includes securitization liabilities exposure

**(iv) Funding concentration based on significant instrument/product[2]**

| Sr. No. | Name of the instrument /Product | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Amount | % of Total Liabilities[3] | Amount | % of Total Liabilities[3] |
| 1 | Redeemable non-convertible debentures (Secured) | 40,391.60 | 33.78% | 19,497.52 | 20.37% |
| 2 | Term loan from banks | 32,340.41 | 27.05% | 46,443.16 | 48.52% |

Namra Finance Limited

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Sr. No. | Name of the instrument /Product | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Amount | % of Total Liabilities[3] | Amount | % of Total Liabilities[3] |
| 3 | Term loan from financial institutions/ Corporates | 20,335.57 | 17.01% | 17,489.64 | 18.27% |
| 4 | Other Term Loans (PTC Transactions & C.C) | - | - | - | - |
| 5 | Subordinated debts | 1,000.00 | 0.84% | 1,000.00 | 1.04% |
| 6 | Short term Funding (C.C. & ICD) | 19,093.12 | 15.97% | 535.60 | 0.57% |

**(v) Stock ratios:**

| Sr. No. | Particulars | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | As % of total public Funds[4] | As % of total liabilities[3] | As % of total assets | As % of total public Funds[4] | As % of total liabilities[3] | As % of total assets |
| (a) | Commercial papers | - | - | - | - | - | - |
| (b) | Non-convertible debentures (Original maturity of less than one year) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (c) | Other short-term liabilities5 | 55.61% | 52.27% | 33.86% | 70.56% | 62.64% | 37.58% |

*Notes:

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities.
2. 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 NBFC-NDSI's, NBFC-Ds total liabilities.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public Funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding five years from the date of issue as defined in Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28,2025.
5. Other short-term liabilities include all short-term borrowings other than commercial papers and non-convertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the Audited financial statements for the Quarter ended March 31, 2026.



# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

**47 Sectoral Exposures:**

| Sr. No. | Sectors | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|---|
| | | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | % of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | % of Gross NPAs to total exposure in that sector |
| 1 | Agriculture and Allied Activities | 1,38,473.70 | 6,068.06 | 4.38% | 1,25,150.85 | 3,788.34 | 3.03% |
| 2 | Industry | | | | | | |
| i | Product Manufacturers | 10,688.37 | 729.02 | 6.82% | 12,884.48 | 181 | 1.40% |
| | Total of Industry | 10,688.37 | 729.02 | 6.82% | 12,884.48 | 181 | 1.40% |
| 3 | Services | | | | | | |
| i | Others (Micro activities & essential services) | 50,654.99 | 1,450.50 | 2.86% | 15,238.00 | 141.38 | 0.93% |
| | Total of Services | 50,654.99 | 1,450.50 | 2.86% | 15,238.00 | 141.38 | 0.93% |
| 4 | Personal Loans | | | | | | |
| 5 | Others | 38.50 | 0.03 | 0.07% | 15,304.66 | 533.61 | 3.49% |

Note : GNPA on total exposure stood at ₹8,247.62 Lakhs, whereas GNPA pertaining to the on-book portfolio stood at ₹5,424.22 Lakhs, representing 3.40% of the on-book portfolio.

**48.** There have been no events after the reporting date that requires disclosure in these financial statements.

**49.** Details of frauds reported during the year are disclosed as under, as per the Master Directions on Monitoring of Frauds in NBFCs:

| Sl. No. | Branch, State | Details of the Case | Date of Reporting to RBI. | Amount (In Lakhs) | Recovery Amount (In Lakhs) |
|---|---|---|---|---|---|
| 1 | Jagdishpur Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 11-09-2025 | 3.46 | 0.38 |
| 2. | Anuppur Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 17-10-2025 | 3.03 | 0.42 |
| 3 | Chhatarpur Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 14-11-2025 | 2.63 | 1.07 |
| 4 | Mohania Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 29-11-2025 | 1.41 | 0.65 |
| 5 | Sarfuddinpur Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 19-12-2025 | 1.38 | 0.15 |
| 6 | Ghorasahan Branch Bihar | Misappropriation of Funds and criminal breach of trust. | 26-12-2025 | 3.84 | 1.59 |

# Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026. *(All Amounts are ₹ in Lakhs, unless otherwise stated)*

| Sl. No. | Branch, State | Details of the Case | Date of Reporting to RBI. | Amount (In Lakhs) | Recovery Amount (In Lakhs) |
|---|---|---|---|---|---|
| 7 | Pratabhgarh Branch Uttar Pradesh | Misappropriation of Funds and criminal breach of trust. | 17-01-2026 | 6.57 | 1.63 |
| 8 | Khatauli Branch Uttar Pradesh | Misappropriation of Funds and criminal breach of trust. | 06-03-2026 | 0.48 | - |
| 9 | Hisar Branch Haryana | Misappropriation of Funds and criminal breach of trust. | 07-03-2026 | 0.46 | - |
| 10 | Thandla Branch Madhya Pradesh | Misappropriation of Funds and criminal breach of trust. | 09-03-2026 | 0.16 | - |
| 11 | Umariya Branch Madhya Pradesh | Misappropriation of Funds and criminal breach of trust. | 09-03-2026 | 0.03 | - |
| 12 | Hatpipliya Branch Madhya Pradesh | Misappropriation of Funds and criminal breach of trust. | 09-03-2026 | 0.08 | - |
| 13 | Bishrampur Branch Jharkhand | Misappropriation of Funds and criminal breach of trust. | 17-03-2026 | 1.33 | - |
| 14 | Dondaicha Branch Maharashtra | Misappropriation of Funds and criminal breach of trust. | 28-03-2026 | 0.13 | - |

**50.** As required in terms of paragraph 48 of Non-Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, schedule to the Balance Sheet of a Non-Banking Financial Company are annexed hereto.

**51.** Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year, impact of the same is not material to the financial statements.

Signature to notes 1 to 51

As per our report of even date attached herewith
For, **Talati & Talati LLP**,
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

**[Kushal Talati]**
Partner
[M.No.188150]

Place: Ahmedabad
Date: May 27, 2026

**For & on behalf of the Board of Directors of**
**Namra Finance Limited**

**Jayendra Patel**
Whole-time Director
(DIN -00011814)

**Chirag Vora**
Chief Financial Officer

**Aalok Patel**
Chairman & Managing Director
(DIN - 02482747)

**Urvish Karathiya**
Company Secretary
(M.No. A69313)

**Arman Financial Services Limited**

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