September 03, 2026

BSE Limited
P J Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Sub: Intimation under Regulation 50(2) and Regulation 53(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Madam / Dear Sir,

Pursuant to Regulation 50(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the 21st Annual General Meeting (AGM) of the Company for FY 2025-26 is scheduled to be held on Friday, September 25, 2026, at 03:00 P.M (IST) at Edelweiss House, off C.S.T. Road, Kalina, Mumbai – 400098.

Pursuant to Regulation 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the Financial Year 2025-26 along with the Notice of the 21st AGM.

The same is also available on the website of the Company at **https://www.eclf.com/api/upload/view-pdf?name=ECLF-AR-2025-26_Website**.

Kindly take the same on record.

Thanking you,
Yours faithfully,

For ECL Finance Limited
INARA HAIYAT WADHWANIA
Digitally signed by INARA HAIYAT WADHWANIA
Date: 2026.09.03 17:19:53 +05'30'
Inara Wadhwania
Company Secretary
CC:

National Securities Depository Limited
Trade world, 4th Floor,
Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Central Depository Services (India) Limited
16th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting (AGM) of the Members of ECL Finance Limited ("the Company") will be held on Friday, September 25, 2026, at 3:00 p.m. (IST) at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Reports of the Board and the Auditors thereon; and

2. To appoint a Director in place of Ms. Kashmira Mathew (DIN: 02341875), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. **Appointment of Ms. Ananya Suneja (DIN: 07297081) as Non - Executive Director of the Company**

To consider and, if thought fit, to pass, with or without modification/(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, Ms. Ananya Suneja (DIN: 07297081), who was earlier appointed as an Additional Director of the Company, be and is hereby appointed as a Non- Executive Director of the Company with effect from February 4, 2026, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as may be necessary to give effect to this Resolution including to sign and execute the requisite forms, intimations, undertakings and other necessary papers with the Registrar of Companies, and other regulatory authorities in connection therewith and to take such steps, as may be necessary to give effect to this Resolution."

4. **Issue of Non-convertible Debentures on Private Placement basis:**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (the Act), the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time, the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time (the Rules), SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable SEBI Rules and Regulations, as amended from time to time and pursuant to the provisions of relevant Reserve Bank of India (RBI) Regulations, and further subject to the provisions of any other applicable statutes, regulations, if any, including any modification(s) or re-enactment thereof, and the provisions of the Memorandum & Articles of Association of the Company and subject to the approvals, consents, permissions, exemptions and /or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures including subordinated Debentures qualifying as Tier-II debt in terms of the RBI Regulations ("the Debentures"/"NCDs"), aggregating to Rs. 5,000 crores (Rupees Five Thousand Crores only), during the period of one year from October 1, 2026, to September 30, 2027, to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate, however at any given point of time the aggregate limit of funds raised/ to be raised by the Company, including issue of the Debentures shall not exceed the overall borrowing limits of the Company as amended, from time to time.

RESOLVED FURTHER THAT subject to and in accordance with the provisions of the Act, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including delegation of powers extended unto the Board herein, and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

For and on behalf of the Board of Directors
ECL Finance Limited

Sd/-

Inara Wadhwania
Company Secretary
Membership No: 65806
Place: Mumbai
Date: September 3, 2026

Registered Office:
Tower 3, Wing 'B',
Kohinoor City Mall,
Kohinoor City, Kirol Road,
Kurla (west), Mumbai – 400070,
CIN: U65990MH2005PLC154854

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office not less than forty-eight hours before the commencement of the AGM**. A Proxy form is annexed to this Notice.

2. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding fifty (50) in number and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.

3. The Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the AGM.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.

5. All the documents referred to in the Notice and accompanying Explanatory Statement and the registers as prescribed under the Companies Act, 2013 are open and available for inspection at the Registered Office of the Company on all working days between 11:00 am to 1:00 p.m., up to the date of this meeting.

6. The Members / Proxies should fill in the attendance slip for attending the Meeting.

7. The route map showing directions to reach the venue of the AGM is annexed.

EXPLANATORY STATEMENT, PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned in the accompanying Notice:

Item No.:3

Ms. Ananya Suneja was appointed as an Additional (Non-Executive) Director, by the Board at its meeting held on August 1, 2025. The appointment was subject to the approval of the Reserve Bank of India (RBI) and was to take effect from such date as may be determined by the Board post receipt of the said approval. The Company subsequently received RBI approval on October 31, 2025.

In line with the above and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 4, 2026, approved the appointment of Ms. Ananya Suneja as Additional (Non-Executive) Director of the Company, to take effect from February 4, 2026.

Brief profile of Ms. Ananya Suneja is enclosed as part of Annexure A.

Considering the experience and expertise of Ms. Ananya Suneja, the Board recommends the passing of an Ordinary Resolution as set out in item no. 3 of the Notice for approval of Members.

Except Ms. Ananya Suneja, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the item of business as set out at Item no. 3 of the Notice.

Item No.: 4

The Members of the Company had at the Extraordinary General Meeting held on June 23, 2025, authorized the Board of Directors of the Company (which term includes any Committee of the Board to exercise its powers including the powers conferred by the Resolution) to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures including subordinated Debentures qualifying as Tier-II debt in terms of the RBI Regulations ("the Debentures/NCDs"), aggregating to Rs. 5,000 crores (Rupees Five Thousand Crores only), to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate, and the said approval was valid till September 30, 2026.

In order to meet its further growth requirements, the Company proposes to continue to issue, offer and allot the NCDs on a Private Placement Basis, in one or more tranches, to the eligible investors in accordance with the provisions of the Companies Act and applicable SEBI Regulations and RBI guidelines/directions, up to an amount not exceeding Rs. 5,000 Crores (Rupees Five Thousand Crores only). The NCDs may be issued at par or at a premium and may be listed on the Stock Exchange(s), on such other terms and conditions as the Board or the Committee may determine. Towards that, the Company hereby seeks approval of the Members by way of a Special Resolution. The said approval would be valid for a period of one year from October 1, 2026, to September 30, 2027. The said limit of Rs. 5,000 crores would be within the overall borrowing capacity of Rs. 15,000 crores. The said Instruments may be issued at par or at a premium and, may be listed on the stock exchanges on such other terms and conditions as theBoard may decide.

The disclosures as required under Section 42 of the Companies Act, 2013 as amended from time to time (the Act) and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time (the Rules) are as under:

a) **Particulars of offer including date of passing the Board Resolution:**

Issue of NCDs on a Private Placement Basis for a value not exceeding Rs. 5,000 Crores, in one or more tranches. The Board shall determine specific terms and conditions of the offer at the time of issuance of respective series/tranche of the Debentures.

Date of Board Resolution – April 26, 2026

b) **Kind of Securities offered and the price at which security is being offered:**

Kind of Securities – Non-convertible Debentures.

Issue Price of the NCDs shall be determined at the time of issue of respective series/ tranche of the NCDs and each tranche may be issued at par or premium or discount depending upon the market scenario and various other factors impacting the price of the Debentures in general as the Board may deem fit.

c) **Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:**

Not Applicable.

d) Name and address of valuer who performed valuation:

Not Applicable

e) Amount which the Company intends to raise by way of such securities:

Amount aggregating up to Rs. 5,000 Crores (Rupees Five Thousand Crores only).

f) Material terms of raising such securities, proposed time schedule, purpose or objects of offer, contribution being made by the promoters or Director either as part of offer or separately in furtherance of objects; principal terms of assets charged as securities:

The Board or the Committee which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by the Resolution in this regard, shall determine the terms and conditions of the offer at the time of issuance of respective series/tranche of the NCDs.

The Board recommends the passing of the Resolution as set out in item no. 4 of the Notice for approval of members by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except to the extent of their holding of securities, if any, are in any way concerned or interested, financially or otherwise, in the aforesaid Resolution.

Annexure A

The details of Directors seeking appointment/ re-appointment at the 21st Annual General Meeting of the Company pursuant to Secretarial Standard on General Meetings (SS-2):

Particulars	**Ms. Kashmira Mathew**	**Ms. Ananya Suneja**
Age	55 years	53 years
Date of first appointment	January 4, 2024	February 4, 2026

Experience in functional area	Kashmira Mathew is an experienced governance and compliance professional with over 30 years of expertise in financial services and regulatory functions. As Executive Director & Head – Governance at ECL Finance Limited, she leads the organisation's governance framework, compliance strategy and regulatory risk management, ensuring robust standards of corporate conduct and regulatory adherence. In her role, Kashmira plays a critical part in strengthening board governance, reinforcing regulatory compliance, and embedding strong risk and control frameworks across the organisation. She works closely with senior leadership and the Board to ensure alignment with evolving regulatory expectations and governance best practices. Prior to joining ECL Finance, Kashmira held key leadership roles in compliance, legal and secretarial functions, including a long tenure with the HSBC Group in India. Her experience spans financial services governance, regulatory engagement and institutional risk management. Recognised for her deep domain expertise and ethical	Ananya Suneja is the President and Chief Financial Officer at Edelweiss, leading financial strategy, planning and reporting, treasury and tax management, capital allocation and financial risk oversight. She has held several board positions across her career and currently serves on the boards of Edel Finance Company Ltd. (EFCL), ECL Finance Ltd. and EAAA India Alternatives, underscoring her strong governance and oversight responsibilities across Edelweiss. A seasoned leader with over 26 years of experience across banking, financial services and manufacturing industries, she brings deep expertise in financial strategy, risk management, finance transformation and board level responsibilities. Prior to joining Edelweiss, Ananya held leadership roles across global institutions including Deutsche Bank, GE and JPMorgan Chase. These roles shaped her strong grounding in global best practices, complex financial operations, and cross functional stakeholder leadership.

	leadership, Kashmira is instrumental in reinforcing ECL Finance's governance culture and institutional integrity.	
Qualifications	Associate Member of The Institute of Company Secretaries of India (ICSI)	Ananya holds an MBA from the Symbiosis Institute of Business Management and a Bachelor's degree in Electrical Engineering from COEP Technological University, Pune.
Terms and conditions of Appointment/ Re-appointment	Liable to retire by rotation	Liable to retire by rotation
Remuneration to be paid and Remuneration last drawn	Annual Report as attached to be referred to.	Nil
No. of Board Meetings attended during the year (FY26)	6	1
Relationship with other Directors and Key Managerial Personnel	None	None
No of shares held in the Company	Nil	Nil
Directorship in other Companies	-	1. EAAA India Alternatives Limited 2. Edel Finance Limited 3. Ecap Equities Limited 4. Nuvama Custodial Services Limited 5. Mandala Organics Private Limited

Membership/ Chairmanship of Committees of other Public Limited Companies	ECL Finance Limited – Member of Stakeholders Relationship Committee	Nil

ECL FINANCE LIMITED

REGISTERED OFFICE: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (W), Mumbai – 400070.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the Member attending (in block letters):

____

Name of the Proxy:

____

(To be filled in, if the proxy form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting of the Company held on Friday, September 25, 2026, at 3:00 p.m., (IST) at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098.

No. of Shares held: _____________________________

DP ID/Client ID No.: _____________________________

Member's/Proxy's Signature: _____________________________

- Only Member/Proxy holder can attend the Meeting.
- Member/Proxy holder should bring his/her copy of the Notice for reference at the Meeting.

Signed this ____day of __________________, 2026

MGT 11
Proxy form

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client Id: DPID:

I/we, being the member (s) holding ___________ shares of ECL Finance Limited ("Company"), hereby appoint

1. Name:
   Address:
   E-mail Id:
   Signature:

or failing her/him,

2. Name:
   Address:
   E-mail Id:
   Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, September 25, 2026, at 3:00 p.m., (IST) at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Reports of the Board and the Auditors thereon;

2. To appoint a Director, in place of Ms. Kashmira Mathew (DIN: 02341875), who retires by rotation and being eligible, offers herself for re-appointment.

3. Appointment of Ms. Ananya Suneja (DIN: 07297081) as Non - Executive Director of the Company.

4. Issue of Non-convertible Debentures on Private Placement basis.

Signed this ____ day of _______ 2026

Signature of member:

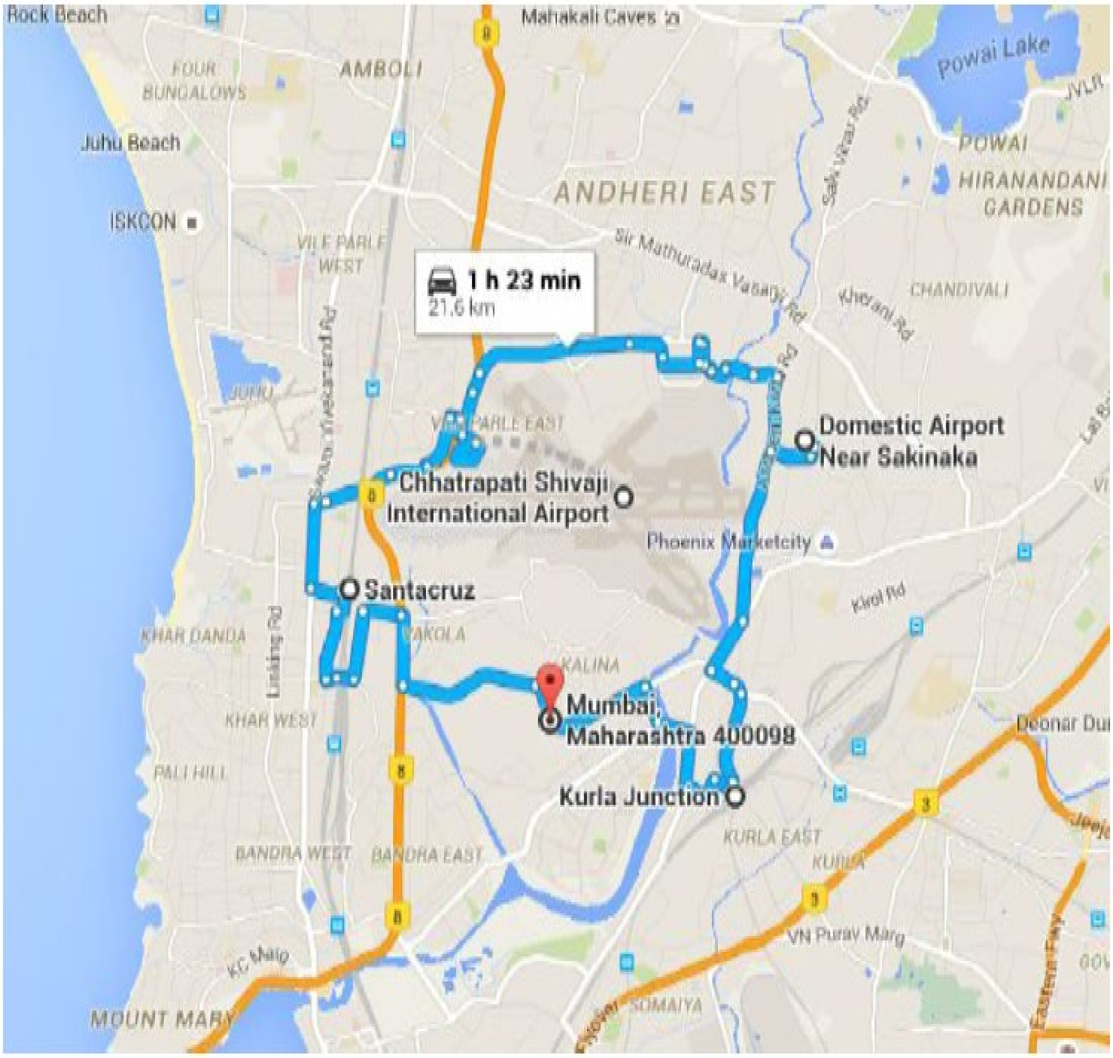
Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map of the venue of Annual General Meeting of the Company

AGM Venue
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai – 400098

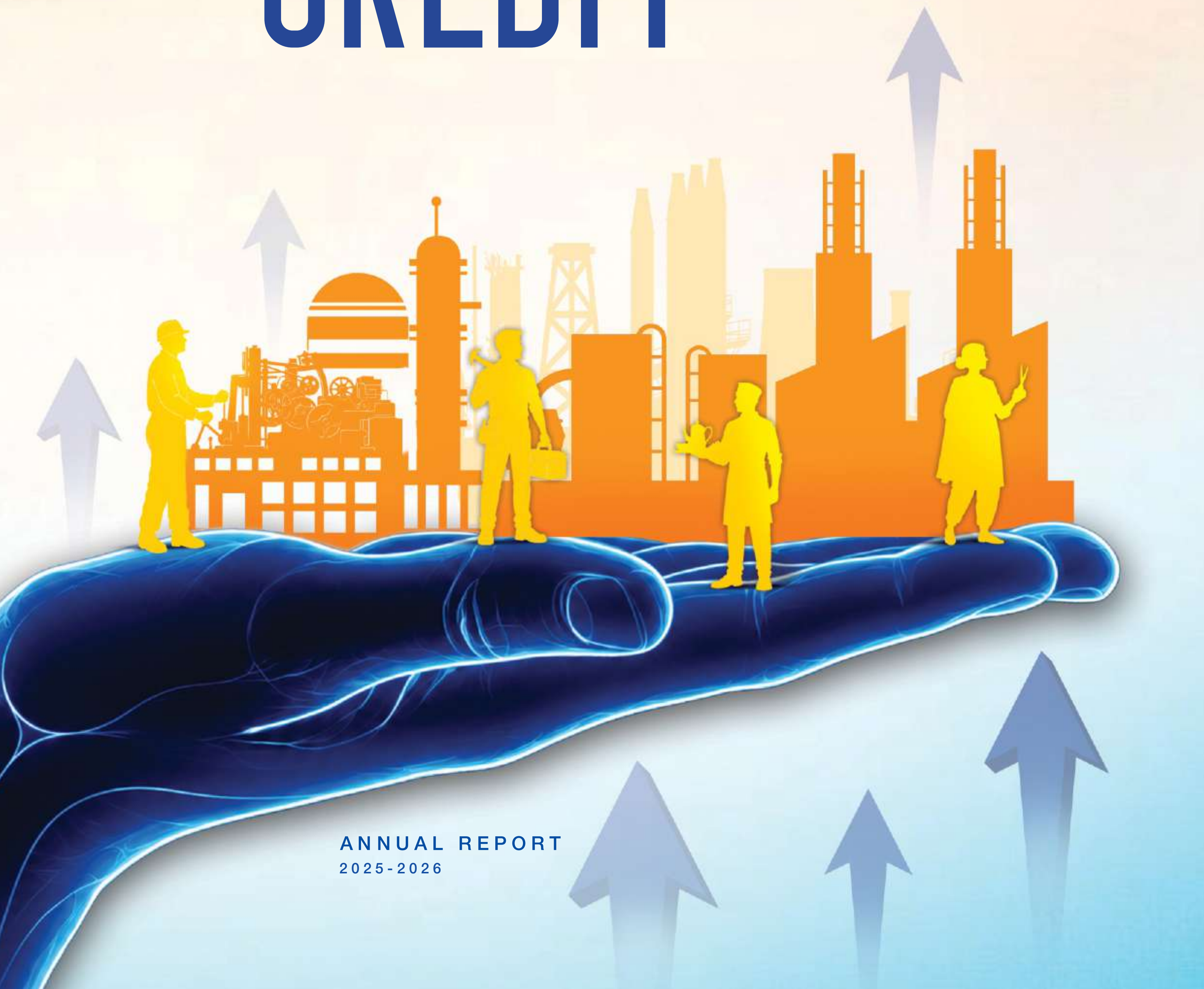
Route map for the venue of the meeting



Edelweiss
Ideas create, values protect
ECL
Finance Ltd.

RETELLING CREDIT

For India's Next LEAP



ANNUAL REPORT
2025-2026

What's Inside

Pg 01-42

Corporate Overview

Pg 43-84

Statutory Reports

Pg 85-201

Financial Statements

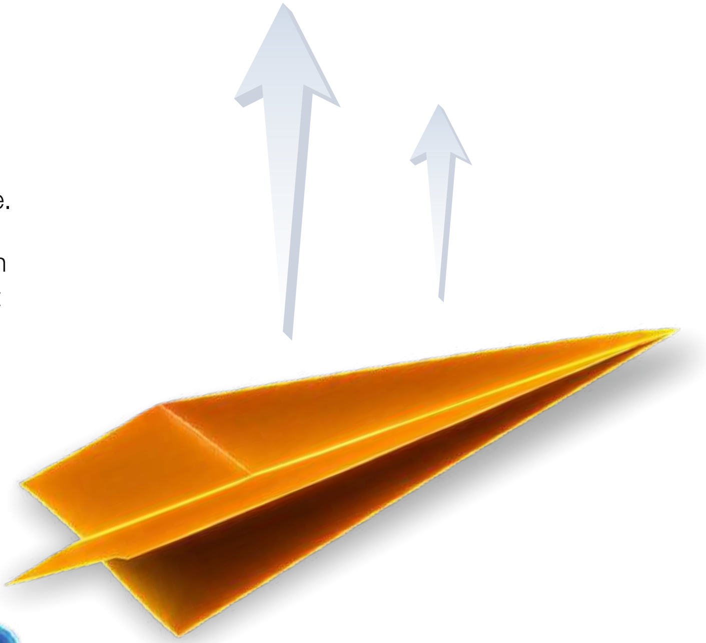
Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

The Credit LEAP,
Lending & Enabling, Aspiration & Passion.

Credit has always enabled growth.
Today, it must do more, it must keep pace with changing aspirations, reach new markets, and create greater opportunities for businesses to thrive.

FY26 marks a defining chapter in ECLF's transformation towards this vision as the Company accelerated its shift towards a retail-led, MSME-focused business model.



Through digital innovation, AI-led capabilities, and an expanding presence across Tier 2 and Tier 3 India, ECLF is making credit faster, more accessible, and more relevant to the evolving needs of entrepreneurs.

Retelling Credit, for India's Next Leap captures this journey, one where credit goes beyond capital to become a catalyst for enterprise, opportunity, and sustainable growth.

Message from the Managing Director

From Transformation to Momentum

FY26 marked the transition from Transformation to Momentum as we strengthened ECL Finance into a faster, smarter, and more trusted partner to India's MSMEs.

Dear Shareholders,

FY2025-26 has been a defining year in the evolution of ECL Finance.

Over the past few years, we have been repositioning our business with a clear objective: to build a focused, scalable, and future-ready MSME lending franchise. This year marked the transition from transformation to execution as our strategic priorities translated into tangible outcomes across business growth, customer reach, digital capability, and organisational resilience. We crossed annual disbursements of ₹1,000 crore, expanded our branch network to 64 locations, and further strengthened our position as a trusted partner to India's entrepreneurs.

India's MSMEs remain central to the country's economic progress. They create employment, drive innovation, and contribute significantly to local and national development. As formalisation and digital adoption continue to reshape the business landscape, access to timely and responsible credit has become increasingly important. At ECL Finance, we view this not merely as a business opportunity, but as our purpose: to expand access to formal finance, especially for underserved entrepreneurs, first-time borrowers, and businesses entering the formal credit ecosystem.

Building a Retail-Focused MSME Franchise

FY26 was a year of focused execution.

We continued our transition towards a predominantly secured and retail-oriented lending model, strengthening the foundations of a business designed for sustainable growth. During the year, we diversified our product offerings through the introduction of six new Prime LAP variants and expanded into the Small Business Loan Against Property (SBLAP) segment, enabling us to serve a broader spectrum of entrepreneurs and business owners.

These initiatives have allowed us to deepen customer relationships, improve market penetration, and build a more resilient lending franchise that is aligned with the evolving needs of the MSME sector. Today, with most of our portfolio comprising secured lending, our retail business has become a key driver of sustainable growth and positions us strongly for the future.

Expanding Our Reach

Scale is meaningful when it expands access.

During FY26, we significantly strengthened our physical presence, adding 40 new branches and taking our network to 64 locations across India. This expansion also marked a strategic shift towards a direct sourcing model, with the new branches serving as key touchpoints for customer acquisition and relationship building. By strengthening our on-ground presence, we are better positioned to reach underserved markets, deepen local market engagement, and bring formal credit closer to customers who have historically remained outside the mainstream financial ecosystem.

Our growing distribution footprint, complemented by digital capabilities and a customer-centric approach, enables us to better understand local business realities while delivering faster, simpler, and more responsive financing solutions. Together, these capabilities are expanding access to formal credit across Tier II and emerging markets. We believe this combination of reach and relevance will remain a key differentiator as we continue to scale.

Strengthening the Foundations of Growth

As we scale the business, our focus remains firmly anchored on quality, discipline, and governance.

Throughout the year, we continued to invest in strengthening operational capabilities, enhancing customer experience, and improving organisational agility. We also accelerated digital adoption across the lending lifecycle and embedded AI-led capabilities to strengthen underwriting, improve turnaround times, and enhance decision-making. Together, these investments are helping us build a faster, smarter, and increasingly self-sufficient operating model while ensuring that growth is supported by robust risk management, governance, and operational discipline.

The progress achieved during the year is reflected not only in business performance but also in the strength and resilience of the franchise we are creating.
Our objective is clear: to build an institution that delivers sustainable value across economic cycles and remains trusted by customers, partners, regulators, and investors alike.

Powered by People

At the heart of every milestone achieved during the year are our people.

The dedication, resilience, and customer-first mindset demonstrated by our employees have been instrumental in driving our transformation journey. Their willingness to embrace change, innovate, and consistently raise the bar has enabled ECL Finance to evolve into a stronger and more agile organisation.

I would also like to express my sincere gratitude to our customers, lending partners, sourcing partners, investors, regulators, and all stakeholders for the trust and confidence they continue to place in us. Their support remains integral to our success and inspires us to keep improving every day.

Looking Ahead

Our aspiration is clear: to build one of India's fastest, most trusted, and digitally-enabled MSME-focused financial institutions.

India's MSME sector continues to demonstrate remarkable resilience and entrepreneurial spirit, creating long-term demand for institutions that can deliver fast, responsible, and customer-centric financing solutions. As we move into the next phase of our journey, we will continue expanding our presence across growth markets, strengthening our digital and AI capabilities, improving productivity and turnaround times, and investing in capabilities that support sustainable long-term value creation.

FY26 was a year in which ECL Finance moved beyond transformation and began to build momentum. While there is still much to accomplish, the foundations we have established, the trust we have earned, and the capabilities we continue to build give us confidence in the road ahead.

Together, we remain committed to enabling entrepreneurial aspirations, advancing financial inclusion, and creating sustainable long-term value for our customers, our stakeholders, and the communities we serve.

Warm Regards,

Ajay Khurana
Managing Director

MSMEs Shaping India's Growth Narrative

~6.3 crore MSMEs

power India's economy.

MSME Contributions in India's growth story:

- ~30% of the nation's GDP
- Account for ~45% of exports
- Generate employment for over 25 crore people

Source: pib.gov.in

As India's entrepreneurial landscape expands beyond metros into Tier 2 and Tier 3 markets, the need for timely, accessible, and trusted credit has never been greater.

Recognising this shift, ECLF continued its strategic transition towards a retail-led, MSME-focused business model. By strengthening its presence on the ground, expanding customer access, and leveraging technology to deliver faster, smarter experiences, the Company is bringing credit closer to the businesses driving India's next phase of growth.

This is ECLF 2.0: a more focused, more agile, and more purposeful institution, built to enable the businesses driving India's next leap.

The Changing MSME Narrative

India's MSME landscape is evolving faster than ever before. As businesses become more formal, digital, and ambitious, the role of credit must evolve alongside them. Understanding this shift is the first step towards Retelling Credit, one that is aligned with the opportunities shaping India's next leap.

The MSME financing ecosystem continues to evolve, supported by strong structural fundamentals, increasing formalisation and a widening credit opportunity. As one of the key contributors to India's economic growth, the MSME sector accounts for approximately 30% of GDP, ~41% of manufacturing value added and ~45% of exports, while also supporting a large share of employment. Despite its significance, the sector remains underpenetrated in institutional credit, with an estimated credit gap of ~₹30 lakh crore, creating a sustained opportunity for NBFCs such as ECL Finance to drive growth through calibrated and targeted lending strategies.

Credit Demand Trends in MSME Financing

Credit demand in the MSME segment continues to exhibit strong momentum, with total MSME credit outstanding* reaching ~₹43.3 lakh crore and growing at approximately 18% year-on-year. The growth trajectory is largely driven by micro and small enterprises, which account for the majority of loan accounts and a significant share of portfolio value.

Secured lending products, particularly Loan Against Property (LAP), have gained prominence due to their lower risk profile, collateral backing, and stable margins. The rising demand for structured financing to support working capital and business expansion continues to shape portfolio strategies, with lenders increasingly focusing on quality-led scaling.

*** For exposure up to ₹100 Cr and covers only TL, Property Loans, WC (CC & OD) considered as MSME by bureau.**

Formalisation and Digitisation Trends

The sector continues to benefit from strong formalisation tailwinds, driven by the expansion of GST, Udyam registrations and digital financial infrastructure.
These developments have enhanced borrower visibility, expanded the addressable market, and enabled more informed credit decisioning. Technology adoption, including AI-driven underwriting, data analytics, and integration of digital data sources such as GST filings and payment trails, has significantly improved credit assessment, turnaround times, and risk management capabilities for lenders.

Liquidity, Interest Rate, and Financing Environment

The liquidity and funding environment for NBFCs continue to be influenced by broader macroeconomic conditions, and systemic liquidity dynamics. While the sector has seen stable credit growth and improving access to capital through diversified funding channels, lenders are increasingly focused on maintaining prudent asset-liability management and optimising funding costs. The shift towards secured products such as LAP provides improved risk-adjusted returns and resilience across credit cycles, supporting balance sheet stability.

Competitive Landscape

The MSME lending ecosystem remains highly competitive, with participation from public sector banks, private banks and NBFCs. NBFCs have emerged as the fastest growing segment, recording ~71% growth in MSME AUM between Sep'23 and Sep'25, supported by their ability to serve niche and underpenetrated customer segments with faster turnaround times and flexible underwriting approaches. This competitive advantage has strengthened the role of NBFCs in bridging the MSME credit gap, particularly in segments where traditional banking models face operational challenges.

Customer Behaviour Trends

Customer preferences in MSME lending continue to evolve, with increasing demand for faster disbursements, simplified processes, and digitally enabled experiences. Borrowers, particularly in the micro and small segments, are progressively shifting towards formal credit channels, supported by improved access to financial data and credit infrastructure. There is also a growing preference for secured borrowing structures, reflecting increasing awareness of cost efficiencies and long-term financing needs.

Government Initiatives and Policy Support

Government-led initiatives continue to play a key role in strengthening the MSME ecosystem through formalisation, credit access, and regulatory support. Programmes such as Udyam registration, expansion of digital payments, and frameworks like account aggregators have contributed to improved borrower visibility and credit flow. Additionally, priority sector lending (PSL) requirements for banks continue to create opportunities for NBFCs to act as origination partners through co-lending and structured arrangements.

Regulatory Environment and RBI Developments

The regulatory framework for NBFCs continues to evolve under the Reserve Bank of India's scale-based regulatory architecture, with increased focus on governance, risk management, and capital adequacy. ECL Finance operates as a Middle Layer NBFC, reflecting a regulatory environment that emphasises enhanced compliance, prudent lending practices, and stronger oversight mechanisms. These developments reinforce the need for disciplined underwriting, robust monitoring systems, and adherence to evolving regulatory standards, while supporting sustainable and risk-calibrated growth in MSME lending.

Overall, the industry remains well-positioned for long-term expansion, supported by a large, untapped credit opportunity, improving data infrastructure, and increasing alignment between borrower needs and lender capabilities. The focus for lenders, including ECL Finance, remains on balancing growth with portfolio quality, leveraging technology, and strengthening risk frameworks to deliver resilient performance across economic cycles.

Rewriting the Way We Lend

Retelling credit begins with reimagining how it is delivered. Guided by trust, discipline, and customer-centricity, ECLF has built a business model that balances responsible lending with scalable growth. It reflects a deliberate shift towards enabling long-term value for businesses, while staying resilient through changing market cycles.

Purpose-led Approach to MSME Financing

ECL Finance Limited's business model is anchored in its core purpose of being a trusted financial partner to MSMEs, supporting their growth through structured and responsible credit solutions tailored to their evolving needs. The Company's strategy aligns with its broader vision of empowering enterprises through customised financial offerings, delivered with strong governance, transparency, and customer-centricity. This purpose-led approach enables ECLF to move beyond transactional lending and establish itself as a long-term partner in the development and formalisation of MSME businesses.

Focused and Disciplined Market Positioning

ECLF has sharpened its market positioning through a decisive shift towards secured MSME lending. This strategic evolution reflects the Company's conviction that resilient growth is built on disciplined portfolio construction, prudent underwriting, and long-term value creation. As the business continues to strengthen this focus, it is building a lending franchise designed for consistency across market cycles.

Secured Lending as the Cornerstone of the Business Model

The Company's lending architecture is fundamentally anchored in secured financing, with Loan Against Property (LAP) forming the core of its MSME portfolio strategy. This secured orientation provides enhanced collateral cover, improved recovery outcomes, and greater predictability of cash flows, enabling ECLF to maintain stability across credit cycles. By prioritising secured lending, the Company reinforces its commitment to balancing growth with capital preservation and disciplined risk management.

Strategic Expansion through Small Business LAP (SBLAP)

ECL Finance is taking its secured lending proposition deeper into India's underserved MSME landscape through Small Business LAP (SBLAP). Designed for small business owners and first-time formal borrowers, the proposition expands access to structured credit while extending ECLF's reach into emerging markets. The expansion is backed by a growing branch network and direct sourcing model, bringing ECLF closer to businesses on the ground and enabling deeper customer understanding and sharper credit assessment. More than a new product, SBLAP strengthens ECLF's ability to serve a wider MSME universe, accelerate formalisation, and build the foundation for the next phase of its secured lending franchise.

Transition to an On-Balance Sheet Lending Model

ECLF has undertaken a strategic shift from an asset-light, co-lending driven model to a predominantly on-balance sheet lending approach, thereby enhancing control over the entire credit lifecycle. This transition enables the Company to retain full lending economics, exercise greater discipline in underwriting and pricing, and ensure stronger accountability in portfolio management. The move reflects ECLF's long-term strategy of building a self-sustaining, scalable MSME lending platform with direct ownership of risk and returns.

Integrated Distribution Model for Scalable Growth

The Company has developed a hybrid sourcing architecture, combining the reach of channel partners with the depth of direct distribution. Through a well-structured DSA ecosystem supported by training and governance frameworks, ECLF ensures alignment with its credit and compliance standards, while its expanding SBLAP branch network enables direct engagement with customers in key MSME geographies. This integrated model enhances customer acquisition efficiency, strengthens underwriting quality through closer borrower interaction, and reduces dependence on intermediaries, thereby supporting scalable and controlled growth.

Alignment with Structural MSME Sector Opportunities

ECLF's business model is closely aligned with key structural trends shaping the MSME ecosystem, including increasing formalisation, improved data availability, and the growing role of specialised NBFCs in credit delivery. By combining secured lending, technology-enabled underwriting, and integrated distribution, the Company is well-positioned to capture long-term growth opportunities while maintaining operational and financial resilience.

Future Growth Strategy and Strategic Direction

Looking ahead, ECLF remains focused on scaling its MSME franchise through a balanced approach that emphasises secured lending, expansion into emerging segments such as Small Business LAP, strengthening of direct distribution capabilities, and continued investment in technology and analytics. The Company aims to build a diversified, high-quality MSME lending platform that delivers consistent performance while enabling inclusive and responsible growth, in line with its long-term vision of creating enduring value for customers and stakeholders.

Turning
Credit into Opportunity

Every business has its own journey, and every journey calls for the right financial support. ECLF's portfolio of solutions is designed around evolving business needs, making credit more accessible, relevant, and responsive for entrepreneurs across every stage of growth, across India.

At ECL Finance Limited (ECLF), our Products & Solutions portfolio is built around a singular objective, enabling the growth aspirations of India's Micro, Small, and Medium Enterprises (MSMEs) through accessible, flexible, and customer-centric financing solutions. Recognising the diverse and evolving credit needs of entrepreneurs across sectors and geographies, we offer a comprehensive suite of secured and unsecured lending products, complemented by value-added insurance solutions.

Our offerings span Loan Against Property (LAP), Small Business Loan Against Property (SBLAP) and Unsecured Business Loans, catering to requirements such as working capital, business expansion, machinery acquisition, capital expenditure, debt consolidation, loan takeover, and liquidity enhancement.

A key differentiator of ECLF's lending model is its ability to combine traditional credit assessment methodologies with digitally enabled and alternate underwriting capabilities. Beyond financial statements and conventional income documents, our credit evaluation framework leverages multiple data points including banking behaviour, bureau insights, cash-flow assessment, surrogate income indicators like GST details, bank churning etc., and property analytics. This enables us to extend formal credit access to a wider spectrum of MSME borrowers, including those with limited financial documentation but demonstrated repayment capacity and business stability.

Supported by technology-led processes, digital sourcing platforms, and data-driven decision engines, we continue to enhance customer experience through faster credit assessment and more informed lending decisions.

Loan Against Property (LAP)

Our Loan Against Property proposition is the flagship offering within our secured lending portfolio, designed for businesses seeking larger-ticket funding against residential, commercial, or industrial properties. Loan sizes range from ₹20 lakh to ₹10 crore, addressing diverse business requirements across the MSME segment.

The product supports both fresh lending against unencumbered properties and balance transfer with top-up facilities against existing loans, thereby catering to funding as well as refinancing requirements. Customers utilise these loans for business expansion, working capital augmentation, capital expenditure, debt restructuring, and long-term growth initiatives.

The proposition is differentiated through customised loan structuring, higher loan eligibility based on borrower profile, flexible repayment options, tenures extending up to 15 years, and a relationship-led service model. Backed by digital process enablement and efficient underwriting capabilities, the product delivers a seamless borrowing experience while helping enterprises unlock the value of their property.

Unsecured Business Loans

Our Unsecured Business Loan offering addresses the financing needs of entrepreneurs seeking collateral-free access to credit. Loan amounts range from ₹3 lakh to ₹50 lakh with repayment tenures of up to 48 months, making the product suitable for working capital requirements, inventory purchases, business growth initiatives, and operational liquidity needs.

The strength of this offering lies in its speed, convenience, and flexibility. Leveraging digital-led processing, bureau-led assessment, banking analytics, and alternate underwriting parameters, ECLF is able to deliver quicker credit decisions and streamlined processing. ECLF supports customers with customised financing structures, enabling businesses to access formal credit without the need to pledge assets.

Small Business Loan Against Property (SBLAP)

The Small Business Loan Against Property (SB LAP) is one of ECLF's strategic growth products, specifically designed to address the credit requirements of micro and small enterprises that often remain underserved by traditional financing channels.

The product enables business owners to leverage residential, commercial, or industrial properties to access formal credit of up to ₹50 lakh through simplified documentation, faster approvals and efficient disbursal processes. SBLAP addresses a broad range of requirements including working capital support, business expansion, debt consolidation, and refinancing.
A key feature of the proposition is its ability to serve customers through a combination of relationship-led engagement and technology-enabled underwriting.

By incorporating alternate credit assessment methodologies and digital validation tools, ECLF is able to evaluate a broader borrower universe and improve credit accessibility for emerging businesses.

The product plays a significant role in advancing financial inclusion by helping small enterprises enter the formal credit ecosystem, build financial credibility, and create sustainable growth opportunities. With customised programmes, faster turnaround times, and strong distribution capabilities, SBLAP continues to be a key enabler of MSME growth across geographies.

Insurance Cross-Sell as a Value-Enhancing Layer

At ECL Finance Limited, we view insurance not merely as a cross-sell opportunity but as an integral component of customer financial wellbeing and risk protection. As a registered Corporate Agent (Composite) with the Insurance Regulatory and Development Authority of India (IRDAI), ECLF is authorised to distribute Life, General, and Health Insurance products through partnerships with leading insurers.

Our insurance proposition is designed to complement lending solutions by helping customers safeguard their businesses, assets, health, and families against unforeseen risks. By embedding protection solutions within the customer journey, we aim to enhance financial resilience, strengthen customer relationships, and deliver a more holistic financial services experience and at the same time secure the portfolio.

Growing Through Connections

Meaningful progress is built together. By strengthening its ecosystem of distribution partners, strategic alliances, and insurance relationships, ECLF is extending its reach, enhancing its capabilities, and creating greater value for the businesses it serves.

ECL Finance Limited continues to strengthen its partnership-led growth model to expand market reach, enhance customer value propositions, and support sustainable growth within the MSME sector. The Company has developed a diversified ecosystem comprising distribution partners, insurance alliances, and strategic co-lending arrangements, enabling scalable customer acquisition, deeper market penetration, enhanced customer engagement, and diversified revenue streams.

Distribution Partnerships - Direct Sales Agents (DSAs)

The Company's extensive Direct Sales Agent (DSA) network remains a key pillar of its sourcing and distribution strategy, facilitating wider outreach across geographies and MSME customer segments. ECL Finance has adopted a structured, relationship-driven approach towards partner engagement, supported through robust onboarding processes, regular capability-building programmes, product training sessions, and ongoing engagement initiatives.

The Company continues to invest in strengthening partner productivity through technology-enabled processes, faster turnaround times, and transparent communication mechanisms. This collaborative ecosystem has played a significant role in driving business volumes across the Company's core lending products, including Loan Against Property (LAP) and Unsecured Business Loans, while ensuring quality sourcing and customer acquisition.

Insurance Partnerships - Strengthening Customer Proposition

ECL Finance has established strategic partnerships with leading insurance providers, including Bajaj Life Insurance, Tata AIA Life Insurance, Bajaj General Insurance, Zuno General Insurance, and Niva Bupa Health Insurance, to offer comprehensive protection solutions alongside its lending products.

These alliances enable the Company to deliver a more holistic financial proposition by addressing the protection needs of borrowers and their businesses. The integration of insurance offerings within the lending ecosystem enhances customer engagement, supports financial resilience, and creates meaningful cross-sell opportunities. Additionally, these partnerships contribute towards portfolio risk mitigation, improved customer lifecycle management, and the generation of ancillary fee-based income streams, thereby strengthening the overall value proposition for customers and the Company alike.

Building a Collaborative Growth Ecosystem

Through its integrated partnership ecosystem, ECL Finance continues to create a scalable and resilient business model that combines distribution strength, customer protection solutions and strategic funding partnerships. By leveraging these collaborations, the Company is well-positioned to deepen customer relationships, expand market presence, and drive sustainable, quality-led growth while supporting the evolving financing needs of India's MSME sector.

Where Trust
Takes Shape

The true value of credit lies in how it is experienced. Through simpler processes, digital capabilities, and relationship-led engagement, ECLF is creating seamless experiences that strengthen trust and build lasting customer relationships.

Strengthening MSME Customer Engagement Through Digital Capabilities

During the year, we enhanced MSME customer engagement by upgrading our CRM platform to provide seamless access to critical loan servicing documents.

This improved service turnaround times, enabled more informed customer interactions, and strengthened service continuity across channels.

Enhancing MSME Customer Experience Through Technology-Led Transformation

Enhancing the experience of MSME customers remains a core strategic pillar of ECL Finance Limited's digital transformation journey.

We launched a redesigned website and customer portal to enable intuitive self-service and faster omnichannel query resolution.

Customer-Centric and Relationship-Led Engagement

ECLF adopts a relationship-oriented approach to customer engagement, focusing on creating long-term value rather than single-product transactions.
The Company leverages its existing customer base to offer insurance solutions, thereby strengthening customer relationships, enhancing customer lifetime value, and supporting portfolio risk coverage.
This approach reinforces the Company's positioning as a holistic financial partner to MSMEs.

Strengthening Collections Through Technology-Led Transformation

During FY26, we introduced M-Collect, a mobile-based application, marking a significant milestone in enhancing process-driven collections. The system enables comprehensive recording and documentation of customer interactions, along with geo-tagging of field visits, thereby strengthening transparency and accountability. This technology-led intervention facilitates systematic, real-time monitoring and review of collection activities, improving operational efficiency and ease of supervision, while ensuring alignment with regulatory guidelines.

Sanjay Gupta

Continental Electric Store

New Delhi

“The Service has been exemplary and well organised and the entire loan requirement was fulfilled. Even the TAT period was well maintained and the entire activity took around 7-8 days. Even the Balance transfer transaction was well executed. I surely would recommend my business partners to Edelweiss.”

Ankit Mann

Livivo Distributors Pvt. Ltd.

New Delhi

“The Loan Requirement was fulfilled by Edelweiss and the entire Loan process was well taken care by Edelweiss RM. There was an urgency for funds which has been well managed by Edelweiss and timely action helps me in improvising business volumes. Thanks to Edelweiss and I would surely recommend Edelweiss to other business partners.”

Sumit Kumar

Manhas Traders

New Delhi

“The application process was fast and hassle free with digital process. Team ensured everything was cleared without delay.”

Tejinder Singh

Ghuman Hospital

Ludhiana, Punjab

“Outstanding service from start to finish. The process was transparent, the team was highly supportive, and the loan was approved faster. Thanks to the ECL Finance Ltd. team which helped me with my financial need on time”.

Sanjeev Kumar

S S Industries

Ludhiana, Punjab

“Excellent service, the team was professional, responsive, and efficient throughout the process. Everything was handled smoothly on time. The loan was approved quickly and the team guided me on every step. It helped me meet my financial needs on time”.

Jayashriben Patel

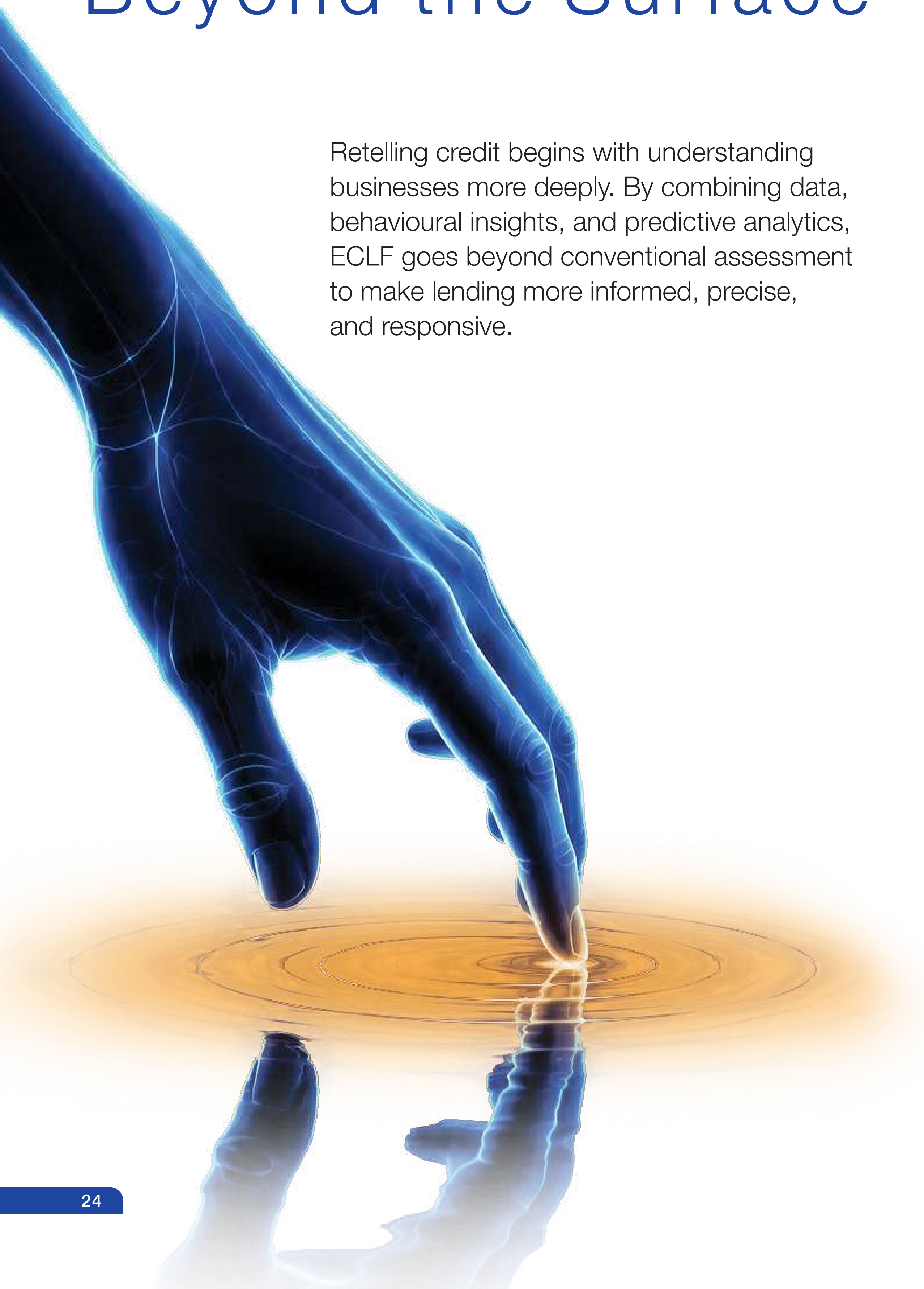
Shree Khodiyar Store

Modasa

“Partnering with ECL Finance has been a valuable experience for our business. Their quick loan processing and customer-focused approach enabled us to seize growth opportunities without delay. The team was highly supportive, transparent, and committed to helping us at every stage. We truly appreciate their professionalism and reliable service.”

Reading
Beyond the Surface

Retelling credit begins with understanding businesses more deeply. By combining data, behavioural insights, and predictive analytics, ECLF goes beyond conventional assessment to make lending more informed, precise, and responsive.



Unlocking Value Through Data-Led Decisioning

At ECL Finance, data analytics is a foundational pillar of our strategic approach. By embedding data-driven decisioning across the enterprise, we effectively navigate the complexities of the Indian financial ecosystem, enhance operational agility, strengthen risk management, and deepen customer relationships, driving sustainable, long-term value creation.

Driving Informed Decisions and Strengthening Risk Resilience

- Enables timely, insight-led decision-making
- Strengthens fraud detection and portfolio health monitoring
- Powers advanced risk assessment models, enhancing underwriting precision
- Improved resilience, stronger governance, and enhanced protection of stakeholder value

Enhancing Operational Excellence Through Data-Driven Execution

- Leverages advanced analytics across critical business functions:

Loan origination and onboarding

Credit evaluation and underwriting

Collections and recovery strategies

Customer experience and support services

- Streamlines workflows by redesigning processes for agility and scalability
- Supports predictive decision-making using historical and behavioural data
- Uncovers hidden inefficiencies and operational bottlenecks through data insights
- Enables real-time performance monitoring with dashboards and KPIs
- Drives continuous improvement through feedback loops and data-led interventions
- Strengthens risk controls by embedding analytics in operational checkpoints

Outcome: Reduced turnaround times, enhanced workforce productivity, improved decision accuracy, and more agile, resilient, and cost-efficient operations.

Elevating Customer Engagement with Advanced Analytics

At ECL Finance, customer engagement is driven by deep data insights that enable proactive, personalised, and lifecycle-based interactions. Predictive analytics helps anticipate customer needs and trigger timely, relevant outreach, while end-to-end journey mapping identifies and eliminates friction points to deliver a seamless experience. Advanced segmentation and behavioural analysis ensure targeted communication across the most effective channels, enhancing relevance and responsiveness. Additionally, early detection of churn signals allows for intelligent, data-led retention strategies, strengthening relationships, and maximising customer lifetime value.

Core Initiatives Powering Business Growth

Over the past year, we have significantly advanced the integration of analytics across key business functions to drive measurable impact. Enhanced risk models have improved underwriting precision, supported by real-time portfolio monitoring for faster, data-driven decisions. Collections strategies have been strengthened through behavioural segmentation and targeted engagement, improving recovery effectiveness. At the same time, analytics-led interventions have streamlined operations by identifying bottlenecks and optimising workflows, resulting in reduced turnaround times and improved overall efficiency.

Data Analytics at ECL Finance is not just an enabler, it is a strategic differentiator driving smarter decisions, operational efficiency, superior customer engagement, and long-term sustainable growth.

Built on Prudence

Progress is meaningful only when it is built responsibly. ECLF's disciplined risk framework balances opportunity with prudence, enabling confident decisions while safeguarding long-term value across every stage of growth.

Managing Risks Effectively

At ECLF, Enterprise Risk Management (ERM) is a central pillar of our governance and strategic decision-making framework. Our ERM structure provides a structured and proactive approach to identifying, assessing, and managing risks across the organisation. Risk oversight is integrated into business processes, supported by strong governance, clear accountability, and regular risk reviews.

We maintain continuous monitoring of credit, operational, market, liquidity, outsourcing, fraud, technology, and compliance risks through a coordinated effort between business units and the central risk function. Technology-enabled controls, real-time reporting, and early-warning mechanisms strengthen our ability to detect emerging risks and ensure timely intervention.

A strong risk culture is fostered across the organisation through training, awareness, and consistent adherence to policies and regulatory requirements.

Environmental, Social, and Governance (ESG) considerations form an integral part of our risk approach, reinforcing responsible and sustainable business practices. Environmental, Social, and Governance (ESG) considerations are integrated into our risk thinking to ensure that long-term sustainability, ethical business conduct, and responsible operations remain integral to our strategy.

Our ERM framework enables resilience, supports prudent growth, and ensures that risk management remains aligned with regulatory expectations and industry best practices.

People Risk
Integrity in employee actions, accountability across all levels, effective stakeholder engagement and communication

Fraud Risk
Anti-fraud policies and controls, monitoring and investigation of suspicious activities

Liquidity Risk
Asset-liability management, market positioning, investment & borrowing diversification

Information and Cyber Security Risk
Robust technology and IT infrastructure management, continuous monitoring and threat detection

Market Risk
Interest rate fluctuations, price volatility, foreign exchange exposure, equity and commodity risk

Credit Risk
360-degree client evaluation, diversified exposure, tech-enabled risk analysis, securing high-quality collateral

Outsourcing Risk
Robust vendor governance, due diligence, and performance oversight to ensure operational resilience and regulatory compliance

Compliance Risk
Compliance monitoring systems, training and awareness on compliance obligations risk-aligned service agreements, commitment to data confidentiality, controls for data integrity

Governance Risk
Strong governance framework with clear accountability, effective oversight, and adherence to regulatory and internal standards

Operational Risk
Proactive risk monitoring, anti-fraud framework, strengthening of critical processes

Robust Risk Governance and Portfolio Discipline

Risk management remains central to ECLF's business strategy, with a sustained focus on secured lending exposures and rigorous legal and technical due diligence. The Company follows a quality-first approach to portfolio construction, supported by ongoing monitoring and governance oversight, particularly for emerging segments such as Small Business LAP. This disciplined framework ensures that growth is achieved without compromising portfolio stability, enabling sustainable expansion across economic cycles.

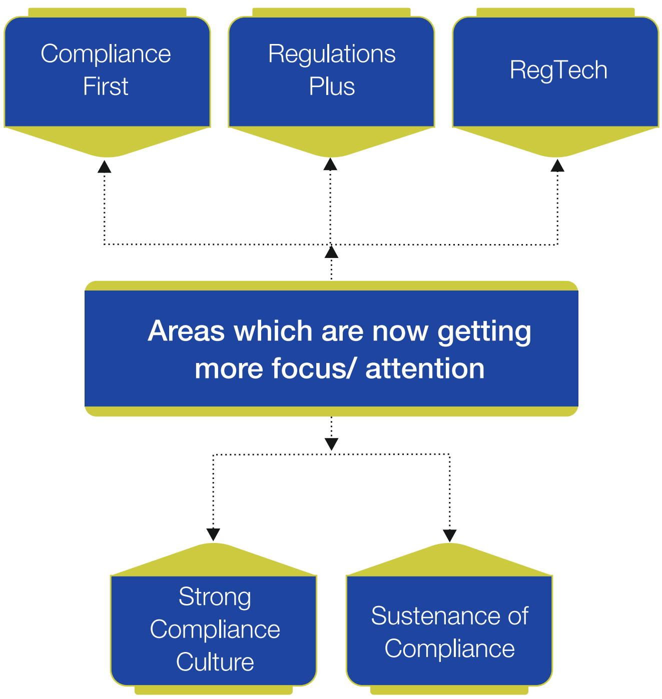
Governed
by Trust

Every next leap must be built on trust. By embedding governance, ethics, and compliance into every decision, ECLF ensures that growth is responsible, transparent, and aligned with the highest standards of accountability.

As per our Company's philosophy, we believe in integrating compliance with the organisational ethos and cultural capital.

An effective and sound business model is fundamental to the Company's resilience and sustainable growth. We are navigating a new reality that is redefining the business model/ strategy. Our focus will be on fostering a business model that balances growth with resilience and long-term success which also promotes financial inclusion.

This demands financial stability and consumer protection, and our mandate is to enhance both the parameters. These trade-offs between stability and efficiency. We will keep these trade-off in mind while formulating our business policies and operating models. It will be our endeavour to strike the right balance, keeping in view the benefits and costs associated with the applicable regulations/ compliance requirement.



While traditional governance responsibilities such as regulatory compliance, financial oversight, and risk management will continue to remain our top priorities, going ahead, we will embrace and leverage technology, drive AI-led digital transformations, enhance customer centricity, and reinforce ethical leadership across all levels of the organisation.

We will continue to strengthen, rationalise, and refine our prudential and conduct-related framework with risk-based prioritisation in the overall interest of the Company as well as our stakeholders, including internal and external.

The Board's leadership and governance are central to navigating these changes; one that can harness change effectively, address risks strategically (including outsourcing and cyber security risks), and reinforce resilience across the organisation.

The Board will play its role in fostering a strong governance culture that actively encourages innovation that is aligned with the Company's long-term goals. It will encourage responsible innovation, ensuring that progress remains steady, sustainable, and fully compliant with the applicable regulatory requirements. Technology transformations are not only focused on automation of existing processes and operational efficiency but also places the customer experience at the centre, offering instant, personalised services, not just at the branches, but through mobile applications and digital platforms.

High standards of customer service are not just expectations; they are obligations we owe as conduct goes beyond regulatory compliance. The Company's service delivery embodies empathy and fairness, and we will remain committed towards building customer-centric organisation with ethical conduct and sound business practices. Customer-centric governance would be evident across our policies, processes, and service touchpoints, treating our customers fairly and in a transparent manner. This is an area where we are significantly focusing to enhance the customers' trust.

We understand that the future strength of our Company rests on the governance practices we put in place today which focuses on proactive compliance rather than reactive compliance. A resilient organisation is one that can anticipate change, manage risks, withstand crises, and continuously adapt to dynamic and evolving environment. We will thrive to be a transformative force, shaping not only our Company's long-term success but also the trust we build with our customers and other stakeholders.

Making
Lending Tech-Smart

ECLF is transforming not just how credit is delivered, but also how customers experience it. By streamlining processes across the lending journey, the Company is making credit faster, more intuitive, and better aligned with the evolving needs of India's businesses.

Efficient processes, data-informed evaluation, and continuous portfolio oversight are embedded throughout the lending lifecycle. These capabilities enable faster decision-making, greater consistency in credit assessments, and proactive identification of risks. This approach supports the Company's vision and roadmap of building a modern, insight-driven lending business capable of delivering growth with precision and control.

During FY 2025-26, the organisation strengthened its operational capabilities and advanced key strategic initiatives while maintaining resilience across its activities. Significant improvements were made in customer acquisition, collections, lead management, and customer onboarding processes, resulting in enhanced efficiency, accuracy, and scalability.

The Company also relaunched its digital presence with a strong focus on customer-centricity, delivering a faster, simpler, and more intuitive experience.

The Company continued emphasis on governance, risk management, and operational stability, ensuring uninterrupted business continuity and reliable service delivery through judicious use of technology.

The technology function played a key role in supporting the Company's branch expansion strategy by enabling rapid operational readiness and seamless business integration across new locations. Through standardised deployment practices and centralised coordination, the Company ensured consistent service delivery, operational efficiency, and adherence to governance standards from the outset.

Drivers of the Shift Forward

Every transformation is powered by people. By investing in talent, capability, and a culture of shared purpose, ECLF is building teams that are ready to lead the Company into its next phase of growth while creating greater value for customers and stakeholders alike.

Our people are central to ECL Finance's transformation and long-term growth. FY2025-26 was a foundational year in this journey, marked by a deliberate focus on building the people, capabilities, infrastructure, leadership, and systems required to support the next phase of the organisation's growth.

As ECL Finance advances its ECLF 2.0 strategy and transitions towards a scaled retail and MSME-led franchise, the emphasis during the year was on creating the organisational capacity and infrastructure required for sustainable growth. This included strengthening talent acquisition and sourcing channels, expanding the physical infrastructure through new branches across markets, building learning and employee experience frameworks, enhancing digital HR processes, strengthening performance management, investing in leadership alignment, and establishing a stronger foundation for employee communications, engagement, and wellbeing.

The focus was therefore not only on meeting the talent requirements of the current business, but on building an organisation equipped to operate with greater scale, consistency, and agility.

People at a Glance

700+
Employees
2x workforce growth during FY26

1,000+
Hours
Invested in learning and development

11
Wellbeing initiatives conducted

50+
Leaders engaged through the Leadership Summit

40
New branches added to our network

Building a Scalable Talent Engine

The evolution of ECL Finance's business model and expansion of its physical presence created a need for talent with strong customer orientation, regional market understanding, and execution capabilities. During the year, Talent

Acquisition focused on building a scalable and cost-effective hiring engine that could support business expansion while maintaining quality, governance, and responsible hiring standards.

We broadened our sourcing ecosystem through multiple channels, including employee referrals, job portals, recruitment partners, and other targeted sourcing mechanisms. These channels enabled greater access to talent across markets and supported the evolving requirements of the retail and MSME business.

Recruitment processes were also strengthened through greater digitisation of the candidate journey, enabling a more structured and consistent experience from application through pre-offer and joining. Technology enhancements and recruitment governance mechanisms supported improved visibility, process discipline, and due diligence across the hiring lifecycle.

Our approach to talent extends beyond immediate hiring requirements. Market mapping and engagement with potential candidates for senior and critical positions continued to strengthen the external talent pipeline and support the organisation's succession planning agenda.

The adoption of the National Apprenticeship Training Scheme (NATS) further supported the creation of an early-career talent pipeline while contributing to the broader objective of developing employable talent.

Building Capability for the Next Phase of Growth

Capability building was a key pillar of the FY26 people agenda. With the organisation becoming increasingly technology-enabled and customer-focused, our learning approach evolved to support both current business requirements and future capability needs.

During the year, we established the foundations of a more structured learning ecosystem, combining digital and classroom-based learning. The learning architecture was designed to enable employees to build functional, digital, behavioural, and compliance capabilities relevant to their roles and the organisation's evolving business model.

1000+ hours of learning interventions were conducted during the year, supporting technology adoption, process effectiveness, customer-centricity, regulatory awareness, and responsible lending practices.
The increasing use of digital learning also provides employees with greater flexibility and enables learning to be scaled more consistently across locations.

These investments are intended to create a continuous learning culture in which employees can build relevant skills as the organisation, its products, and its operating environment evolve.

Creating a Stronger Employee Experience

As the organisation scaled, strengthening the employee experience became an important component of building organisational readiness.

During the year, we designed a structured new-joiner experience and induction programme, covering the employee journey from pre-joining through the initial settling-in period. The programme is designed to provide new employees with greater clarity on the organisation, their roles, products, processes, culture, and expectations, while enabling them to integrate more effectively into their teams.

The employee experience agenda was complemented by continued digitisation of HR processes and technology enhancements, creating more consistent and accessible employee touchpoints.

We also strengthened the organisation's external talent proposition through the revamp of the ECL Finance website, providing a more comprehensive view of our people, leadership, culture, career opportunities, and business offerings. This initiative supports both employer branding and our ability to communicate the organisation's evolving identity to prospective talent and other stakeholders.

Strengthening Performance and Accountability

As the organisation transitions towards greater scale, clarity of expectations and a strong performance culture are critical to ensuring that individual contribution remains closely aligned with business priorities.

During FY26, we strengthened our performance management framework through a more structured, scorecard-based approach. Key performance indicators were aligned with business priorities, with greater standardisation of performance expectations across roles and functions.

The performance framework is designed to support a more meritocratic approach to performance outcomes by establishing greater transparency around goals, measurement, and evaluation. Our rating framework enables meaningful differentiation, while structured performance conversations provide opportunities to discuss achievements, development areas, and future expectations.

More than 275 employees participated in interventions for managers and employees focused on effective goal setting, feedback, and performance conversations. Increasing use of dashboards and workforce insights is also enabling more informed productivity tracking and evidence-based people decisions.

Leadership for Scale

Building leadership capability and alignment was an important part of preparing the organisation for its next phase of growth.

The Leadership Summit held in Alibag brought together more than 50 leaders around the shared ambition of ECLF 2.0. The summit, themed around the concept of a “Bridge”, reflected the organisation's transition into its next phase and the role of leadership in connecting the foundation built to the scale ahead.

The summit provided a platform for strategic dialogue, cross-functional collaboration, and alignment on organisational priorities. A subsequent refresher session helped sustain the momentum and reinforce the themes and commitments emerging from the leadership dialogue.

Together, these interventions helped strengthen leadership alignment, collective ownership, and cross-functional collaboration as the organisation prepares for greater scale and complexity.

Strengthening Communication and Organisational Alignment

As the organisation expanded across products, functions, and geographies, effective communication became increasingly important to ensuring clarity and consistency.

During FY26, we strengthened the foundation for structured internal communications, leadership communications, and external-facing messaging. The focus was on creating greater consistency in how organisational priorities, policies, business updates, and employee initiatives are communicated.

Particular emphasis was placed on ensuring that information reaches employees across the organisation in a clear and accessible manner. For the expanding Small Business LAP business, communication content was standardised and enabled in regional languages to support better understanding and percolation of information across the field workforce.

These initiatives are helping build a more connected organisation, with greater transparency and alignment between leadership intent, business priorities, and employee understanding.

Employee Wellbeing and Benefits

Employee wellbeing remained an important component of our people agenda during the year. Our approach encompasses physical, mental, emotional, lifestyle, and financial wellbeing, supported through awareness initiatives, health interventions and easier access to employee benefits.

During the year, 11 wellbeing initiatives were conducted, covering key aspects of physical, mental, emotional, lifestyle, and financial wellbeing. These initiatives encouraged preventive care, healthy lifestyle choices, and greater awareness of holistic wellbeing.

Structured helpdesks and awareness interventions also supported employees in accessing medical benefits, learning resources, and health-related services.

We continued to strengthen the value proposition for employees through enhancements to key benefits. Employee term insurance coverage for frontline employees was enhanced by 2x during the year, strengthening financial protection for employees and their families.

The focus remains on making employee benefits more accessible, relevant, and meaningful, while building greater awareness and utilisation of the support available to employees.

Governance, Compliance, and Responsible People Practices

The development of our people infrastructure was accompanied by a continued focus on governance, compliance, and responsible employment practices.

During the year, we ensured alignment with applicable regulatory and statutory requirements while implementing changes arising from the evolving labour and wage framework. The overall people and technology enhancements were undertaken with a focus on wage code reforms, compliance, transparency, and employee communication.

Our people processes are being progressively standardised and digitised to strengthen governance, improve employee experience, and create scalable operating practices. This foundation will enable the organisation to manage a larger and more distributed workforce with greater consistency and accountability.

Looking Ahead

FY26 established the building blocks for the next phase of ECL Finance's growth. The investments made during the year across talent acquisition, capability building, employee experience, performance management, leadership, technology, communications, benefits, governance, and physical infrastructure have strengthened the organisational foundation required to operate at greater scale.

As ECL Finance continues its ECLF 2.0 journey, our people strategy will evolve from building capacity to continuously strengthening capability and productivity. We will focus on attracting and retaining talent aligned with our retail and MSME ambition, developing leaders for scale, deepening digital and functional capabilities, strengthening meritocracy and performance, and creating an employee experience that supports engagement and growth. In parallel, we will continue to strengthen the physical and organisational infrastructure required to support our expanding workforce and business footprint.

Our objective is to build an organisation where people have the capability to deliver, clarity to perform, opportunities to grow, and a shared commitment to the ECLF 2.0 vision. By building organisational capability and infrastructure alongside business scale, we aim to create a resilient, agile, and future-ready organisation capable of supporting ECL Finance's next phase of sustainable growth.

Board's Report

To,
The Members of,
ECL Finance Ltd.

The Directors hereby present their 21st Annual Report on the business, operations, and the state of affairs of the Company together with the Audited Financial Statements for the year ended March 31, 2026:

Financial Highlights (Standalone)

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Total Income	**672.13**	**742.76**
Total Expenditure	654.39	675.08
(Loss)/Profit before tax	**17.74**	**67.68**
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	3.88	13.95
(Loss)/Profit after tax	**13.86**	**53.73**
Other Comprehensive Income/(Loss)	(107.92)	(1,427.61)
Add: Profit and Loss account balance brought forward from previous year	(481.78)	899.57
Profit available for appropriation	(575.84)	(474.30)
Appropriations		
- ESOP charge	-	0.84
- Impact of Lease accounting		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(2.77)	(11.08)
- Transfer from revaluation reserve	22.79	2.76
- Transfer from Debenture Redemption Reserve	-	-
- Impairment reserve		
- Deemed distribution during the year		
Surplus carried to balance sheet	**(555.82)**	**(481.78)**
Net worth (Net worth = Equity share capital + Other equity)	**2,029.42**	**2,126.95**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2026, and March 31, 2025, accordingly, no amount is required to be transferred to the impairment reserve.

Information on the State of Affairs of the Company

Information on the Operational and Financial performance, amongst others, is given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure I and is in accordance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("Listing Regulations") and the provisions of the Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 as updated from time to time.

Merger of Edelweiss Retail Finance Limited with the Company

Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT) vide order dated September 12, 2025, under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme"), Edelweiss Retail Finance Limited ("ERFL" or "Transferor Company"), a Company under common group control, was amalgamated with ECLF ("ECLF" or "Transferee Company"), both registered as Non-Banking Financial Companies (NBFCs) engaged in the business of financing of loans. The Scheme became effective upon filing of the certified copy of the NCLT order with the Registrar of Companies on September 30, 2025.

The amalgamation had been accounted for as a business combination of entities under common control in accordance with the "pooling of interest" method prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 - "Business Combination", and in accordance with the relevant provisions of the Scheme. Accordingly, all assets and liabilities recorded in the books of the Transferor Company were transferred to and vested in the Transferee Company and were recorded by the Transferee Company at their carrying amount. Further, the financial information of the Transferee Company for prior periods has been restated as if the amalgamation had occurred from the beginning of the preceding period as per the terms mentioned in the Scheme.

As per the Scheme, the Transferee Company issued equity shares to the shareholders of the Transferor Company based on the swap ratio as specified therein, the details of which are as follows:

"₹1,124 (One thousand, One hundred and twenty-four) fully paid-up equity shares having face value of ₹1/- {Indian Rupee One only} of the Transferee Company shall be issued and allotted for every 100 (Hundred) equity shares having face value of ₹10/- {Indian Rupees Ten only} each held in the Transferor Company."

Accordingly, the Company had allotted 48,27,58,000 Equity Shares of ₹1/- each to the shareholders of ERFL.

Introduction of Small Business LAP

The Company has introduced secured MSME loans for small business segment, which will play a vital role in enabling small businesses to access timely and cost-effective credit. By leveraging owned property as collateral, these loans offer low and medium ticket sizes at comparatively higher interest rates, supporting business expansion, working capital needs, and liquidity management. The security-backed nature of LAP also enhances credit discipline while allowing lenders to manage risk effectively. With streamlined processes and wider geographic reach, Small Business LAP will help to drive financial inclusion by empowering entrepreneurs to scale operations and contribute to overall economic growth.

During the year, the Company has maintained a strategic focus on scaling the Small Business LAP portfolio by increasing geographical presence, strengthening sourcing through its direct sales channels, and deepening penetration across key markets. Supported by multi-product capabilities across its network and a focus on operational efficiency, the Company continues to enhance cross-sell opportunities, improve portfolio quality, and drive sustainable, balanced growth in the segment.

Reserves and Surplus

The details of the Reserves and Surplus are given in the Financial Statements attached herewith.

Share Capital

During the year, the Authorised Share Capital of the Company increased from ₹6,74,00,00,000 (divided into 6,70,00,00,000 Equity Shares of ₹1/- each and 40,00,000 Preference Shares of ₹10/- each) to ₹7,24,00,00,000 (divided into ₹7,20,00,00,000 Equity Shares of ₹1/- each and 40,00,000 Preference Shares of ₹10/- each) and the Paid-up Share Capital of the Company increased from ₹2,70,01,57,812 to ₹3,18,29,15,812. The said increase was pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT) under Sections 230 to 232 of the Companies Act, 2013, whereby

Edelweiss Retail Finance Limited amalgamated with ECLF with effect from September 30, 2025.

As at March 31, 2026, the Authorised Share Capital and Paid-up Share Capital of the Company stood at ₹7,24,00,00,000 and ₹3,18,29,15,812 respectively.

Dividend

On account of accumulated losses and with a view to conserve the resources of the Company, the Directors are not recommending any dividend for the year ended March 31, 2026.

Finance and Credit Rating

The Company continued to borrow funds via Commercial Papers and terms loans through banks.

During the year, the Company raised ₹473.85 crore through Commercial Papers (non-episodic) and ₹350 crore by way of bank borrowings. The outstanding bank borrowings as on March 31, 2026 stood at ₹642.88 crore.

The Company enjoys credit ratings from various Rating Agencies. The details of the credit ratings are furnished in the Notes to the Financial Statements.

Subsidiaries, Joint Ventures, and Associate Company

During the year, neither did the Company have any Subsidiary or Associate Company, nor did it enter into any Joint Venture Agreement under the provisions of the Companies Act, 2013 (“the Act”).

Our Network of Offices

As of March 31, 2026, the Company operates through a diversified network of 64 offices, including 40 exclusive branches dedicated to Small Business Loan Against Property (LAP), spread across 14 States and 3 Union Territories. This extensive geographic footprint enables the Company to efficiently service its existing customer base while also enhancing its ability to acquire new customers across regions. Each of the Company's offices is equipped to service multiple products, which optimises operational efficiencies, reduces overall operating costs, and supports improved business scalability. The widespread distribution of offices also enables the transfer and adoption of best practices developed in one region to other regions.

Further, the geographically diversified presence reduces dependence on any single region and mitigates exposure to regional, climatic, and cyclical risks, including those arising from factors such as heavy monsoons or drought conditions.

Loans, Investments, and Guarantees

The Company is an NBFC, registered with the Reserve Bank of India. During the year, the Company did not give any guarantee. Further, the provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees or providing security are not applicable to the Company.

Related Party Transactions

All related party transactions entered into by the Company were at arm's length and in the ordinary course of business, except for the following transaction, which, although conducted at arm's length, was not in the ordinary course of business:

Name of Related Party	Nature of Relationship	Nature of Transaction	Period	Maximum Value
Edelweiss Rural and Corporate Services Limited	Fellow Subsidiary	Sale of fixed asset (Premises situated at 10th Floor of Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098)	Dec'25	~₹100 crore

The Company has not entered into transactions with the Promoters, Directors, and Key Managerial Personnel, which may have potential conflict of interest with the Company.

The Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at https://www.eclf.com/
Particulars of contracts or arrangements with the Related Parties as prescribed in Section 188 of the Act in Form AOC-2 is annexed to this Report as Annexure II. All the Related Party Transactions as required under the applicable Accounting Standards are reported in the financial statements.

Material Changes and Commitments, if any, Affecting the Financial Position of the Company

No Material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year to which the Financial Statement relates (i.e. March 31, 2026) and the date of the Report.

Transfer of Unclaimed Amounts

In accordance with the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), an amount of ₹30,54,576.38 was transferred from the Unclaimed Accounts to the IEPF during FY2025-26. This amount comprises both interest and principal on NCDs. Consequent to the merger of ERFL with ECLF effective September 30, 2025, the said transfer includes balances relating to both entities.

Annual Return

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2026, in Form MGT-7, is available on the website of the Company at the link: https://www.eclf.com/

Directors and Key Managerial Personnel

The Company has a professional Board with Executive Directors & Non-Executive Directors who bring the right mix of knowledge, skills, and expertise and help the Company in implementing the best Corporate Governance practices. Ms. Kashmira Mathew, Executive Director of the Company will retire by rotation at the ensuing 21st Annual General Meeting and being eligible, offers herself for re-appointment as per Section 152 of the Companies Act, 2013.

(I) Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section. Accordingly, the Company confirms that in the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 and that the Independent Directors are independent of the Management.
In the opinion of the Board, the Independent Directors are people of integrity and possess relevant expertise, experience and proficiency. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

Declaration by Independent Directors:

The Independent Directors have submitted their declaration of independence, stating that:

a. They continue to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the applicable Rules framed thereunder and Regulation 16(1)(b); and

b. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors have also confirmed their compliance with the Company's Code of Conduct. Further, in terms of Section 150 of the Act and the Rules framed thereunder, they have confirmed their registration with the Indian Institute of Corporate Affairs (IICA), including renewal of the applicable tenure, and compliance with the online proficiency self-assessment test, wherever applicable (unless exempted).

The Board, in terms of Rule 8 of the Companies (Accounts) Rules, 2014, is of the opinion and confirms that the Independent Directors are persons of high repute and integrity, possessing relevant expertise and experience in their respective fields.

(ii) Change in Directors

- The Board, at its meeting held on January 27, 2025, appointed Mr. P Kumaresan as an Additional (Nominee) Director of the Company, subject to the approval of the Reserve Bank of India, for a term up to March 31, 2028. The approval of the Reserve Bank of India was subsequently received on May 23, 2025.

  Thereafter, the appointment was placed before the shareholders at the General Meeting held on June 23, 2025. Mr. P Kumaresan was appointed to represent LIC on the Company's Board, in recognition of LIC's significant debt exposure and longstanding support, and in line with IRDAI's Stewardship Code which encourages insurance companies to actively engage with investee companies to strengthen governance, transparency, and strategic decision-making.

- Ms. Ananya Suneja was appointed as an Additional (Non-Executive) Director by the Board at its meeting held on August 1, 2025, subject to the approval of the Reserve Bank of India (RBI). The appointment was to take effect with effect from such date as may be determined by the Board, post receipt of approval of the Reserve Bank of India.

  The Company subsequently received RBI approval on October 31, 2025, valid until April 30, 2026. In line with this approval and based on the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on February 4, 2026, approved Ms. Suneja's appointment with effect from February 4, 2026.

  This appointment will be placed before the shareholders at the forthcoming General Meeting for their approval. The Board is of the opinion that her association, considering her expertise and experience, would immensely benefit the Company.

(iii) Key Managerial Personnel

The Board appointed Mr. Ajay Khurana as Additional Director of the Company to be designated as Managing Director with effect from April 1, 2025, subject to approval of the Reserve Bank of India, at its meeting held on January 3, 2025. The approval from Reserve Bank of India was received on March 7, 2025. The said appointment was approved by the Shareholders of the Company at the Extra-Ordinary General Meeting held on June 23, 2025.

Number of Board Meetings Held

During the year under review, Six Board Meetings were convened and held. The gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following is the attendance of each of the Directors at the Board Meetings held during the period under review:

Sr. no.	Date of Meeting	Total no. of Directors as on the date of meeting	Attendance	
			No. of directors attended	% of attendance
1	May 05, 2025	7	7	100
2	June 18, 2025	8	8	100
3	August 01, 2025	8	8	100
4	September 30, 2025	8	8	100
5	November 07, 2025	8	8	100
6	February 04, 2026	9	9	100

Nomination & Remuneration Policy

The Company has formulated a Nomination & Remuneration Policy ("the Policy") as per the provisions of Section 178 of the Companies Act, 2013. The said Policy is placed on the website of the Company at https://www.eclf.com/api/upload/view-pdf?name=Nomination-and-Remuneration-Policy-February-4-2026. The Policy encapsulates a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The Policy, inter-alia, provides for criteria for payment to Executive and Non-Executive Directors, Board diversity etc.

Evaluation of the Performance of the Board

The Board has framed a Board Evaluation Policy ("the Policy") for evaluating the performance of the Board, Chairman, Directors, and the Committees of the Board. The said Policy is placed on the website of the Company at https://www.eclf.com/api/upload/view-pdf?name=Board-Evaluation-Policy-February-4-2026.

The Policy **inter-alia** provides the criteria for performance evaluation and authorises the Nomination and Remuneration Committee to prescribe criteria/ framework for Board Evaluation. Accordingly, the Nomination & Remuneration Committee has prescribed a detailed methodology/ approach for the aforesaid evaluations. Based on the same, the performance was evaluated for the financial year ended March 31, 2026. The Independent Directors at their meeting reviewed the performance of the Board, Non-Independent Directors, and Board Chairperson. The Board of Directors in its meeting evaluated the performance of Individual Directors, performance of Board, its Committees, and Board Chairperson along with flow of information for conducting meetings of Board/ Committees. The Nomination & Remuneration Committee also evaluated the performance of all Directors.

Internal Financial Controls and Internal Control System

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting, and compliance with the laws and regulations. The internal control system is also supported by an internal audit process. The Company has a strong Internal Audit Team in place.

Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the Management believes that adequate Internal Financial Controls exist in relation to its Financial Statements.

Risk Management

The Company has adopted a comprehensive Enterprise Risk Management Framework which provides for the systematic identification of key events and risks that may impact the achievement of its business objectives. The framework is supported by clearly defined risk policies and strategies designed to ensure timely evaluation, reporting, monitoring, and mitigation of key business risks. The Risk Management Framework of the Company prescribes the Risk Appetite Statement, along with detailed risk policies defining Risk Thresholds, Process Controls, Risk Dashboards, and Early Warning Signals (EWS) to facilitate proactive risk identification and management. These elements collectively enable a structured and disciplined approach to risk management across the organisation. The Risk Management Committee (RMC) of the Company supervises the management of these risks and provides oversight and guidance to ensure alignment with the Company's strategic priorities and regulatory expectations.

The Company has implemented dashboards to measure and manage various risks including credit risk, liquidity risk, people risk, compliance and regulatory risk, operational risk, technology risk, fraud risk, market risk, and outsourcing risk. These dashboards support continuous monitoring of risk indicators and enable timely management action. In addition, the Company has a well-defined Internal Capital Adequacy Assessment Process (ICAAP) document that identifies both present and future risks to which the Company is exposed and outlines the methodologies for monitoring, evaluating, and mitigating such risks. The ICAAP framework also assesses the capital requirements necessary to adequately support the Company's risk profile and sustain its future growth, ensuring alignment with the Company's risk appetite and long-term strategic objectives.

Committees of the Board

The Board of Directors has inter-alia constituted the following Board Committees:

(1) Audit Committee
(2) Stakeholders Relationship Committee
(3) Corporate Social Responsibility Committee
(4) Nomination and Remuneration Committee
(5) Risk Management Committee
(6) IT Strategy Committee
(7) Asset Liability Management Committee

(1) Audit Committee

During FY2025-26, the Committee met five times on May 05, 2025, August 01, 2025, November 07, 2025, December 23, 2025, and February 04, 2026.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013. All the members possess financial/ accounting expertise/exposure and have relevant financial/ accounting experience. The Composition as on March 31, 2026, and attendance during the year ended March 31, 2026 is as under:

Name	No. of Meetings attended	% of meetings attended
Mr. Shiva Kumar	5	100%
Mr. Sameer Kaji	5	100%
Mr. Aalok Gupta	5	100%
Ms. Kashmira Mathew	2*	40%*

*Ms. Kashmira Mathew ceased to be a member of the Committee w.e.f. 01-08-2025

The Audit Committee invites executives as it considers appropriate, particularly the Chief Financial Officer, Head – Internal Audit, Chief Compliance Officer and representatives of Statutory Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Committee. There were no instances wherein any recommendation of the Audit Committee was not accepted by the Board.

Pursuant to RBI Regulations, the Committee also meets the Head – Internal Audit and Chief Compliance Officer excluding the presence of the Management.

Terms of Reference of the Committee are attached as Annexure III.

(2) Stakeholders Relationship Committee

During FY2025-26, the Committee met four times on April 30, 2025, July 31, 2025, November 06, 2025, and February 03, 2026.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

The Composition as on March 31, 2026, and attendance during the year ended March 31, 2026 is as under:

Name	No. of Meetings attended	% of meetings attended
Mr. Sameer Kaji	4	100%
Mr. Aalok Gupta	4	100%
Mr. Ajay Khurana	4	100%
Mr. Atul Pande	4	100%
Ms. Kashmira Mathew	4	100%
Ms. Leena Shrungare	2*	50%*
Mr. P Kumaresan	2**	50%**

*Ms. Leena Shrungare ceased to be a member of the Committee w.e.f. 01-08-2025
** Mr. P Kumaresan was inducted in the Committee w.e.f. 01-08-2025

Terms of Reference of the Committee are attached as Annexure III.

Based on the reports received from the Registrar to an Issue & Share Transfer Agents during the year ended March 31, 2026, the Company received 13 complaints from the investors which were satisfactorily resolved/ replied. As on March 31, 2026, there were no outstanding complaints.

(3) Corporate Social Responsibility (CSR) Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013. Since the CSR obligations were not applicable to the Company for FY25-26, no meeting of the Committee was held.

The Composition of the Committee as on March 31, 2026, is as under:

Name	No. of Meetings attended
Mr. Shiva Kumar	Not Applicable
Mr. Ajay Khurana	
Mr. Sameer Kaji	
Mr. P Kumaresan*	

*Mr. P Kumaresan was inducted in the Committee w.e.f. 01-08-2025

Terms of Reference of the Committee are attached as Annexure III.

The Corporate Social Responsibility Policy (“CSR Policy”) was devised in accordance with section 135 of the Companies Act, 2013 as amended from time to time. The CSR policy is aimed at promoting social welfare through its comprehensive programmes. The said Policy is available for reference at the Company's website at Policy-on-Corpor-ate-Social-Responsibility.pdf

(4) Nomination and Remuneration Committee

During FY2025-26, the Committee met four times on May 05, 2025, June 18, 2025, August 01, 2025, and February 04, 2026. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

The Composition as on March 31, 2026, and attendance during the year ended March 31, 2026, is as under:

Name	No. of Meetings attended	% of meetings attended
Mr. Shiva Kumar	4	100%
Mr. Atul Pande	4	100%
Mr. Rashesh Shah	4	100%
Mr. Sameer Kaji	3	75%

Terms of Reference of the Committee are attached as Annexure III.

(5) Risk Management Committee

During FY2025-26, the Committee met four times on April 30, 2025, July 31, 2025, November 06, 2025, and February 03, 2026. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

The Composition as on March 31, 2026, and attendance during the year ended March 31, 2026, is as under:

Name	No. of Meetings attended	% of meetings attended
Mr. Shiva Kumar	4	100%
Mr. Aalok Gupta	4	100%
Mr. Ajay Khurana	4	100%
Mr. Sameer Kaji	4	100%
Ms. Kashmira Mathew	2*	50%*
Mr. Sandeep Agarwal	2**	50%**

*Ms. Kashmira Mathew was inducted in the Committee w.e.f. 01-08- 2025
**Mr. Sandeep Agarwal was inducted in the Committee w.e.f. 30-09-2025

The Committee also meets the Chief Risk Officer excluding the presence of the Executive Directors and Management, in accordance with RBI (Non-Banking Financial Companies - Governance) Directions dated November 28, 2025.

Terms of Reference of the Committee are attached as Annexure III.

(6) IT Strategy Committee

IT Strategy Committee is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

During FY2025-26, the Committee met four times on April 30, 2025, July 31, 2025, November 06, 2025, and February 03, 2026.

Terms of Reference of the Committee are attached as Annexure III.

(7) Asset Liability Management Committee (ALCO)

The ALCO is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

During FY2025-26, the Committee met four times during the year on April 30, 2025, July 31, 2025, November 06, 2025, and February 03, 2026.

Terms of Reference of the Committee are attached as Annexure III.

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act) and RBI circular ("Circular") dated 27th April, 2021 on the Guidelines for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs), M/s. G.K Choksi & Co. are the current Statutory Auditors of the Company.

The Statutory Audit Report does not contain any qualifications, reservations, and adverse remarks.

Secretarial Audit

The Board had appointed M/s Alwyn Jay & Co., Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2026.

The Report issued by the Secretarial Auditors is attached herewith as Annexure IV. The Secretarial Audit Report does not contain any qualifications, reservations, and adverse remarks.

Details of Corporate Social Responsibility (CSR) Expenditure

Every company meeting the criteria prescribed under Section 135 of the Companies Act, 2013, is required to spend, in each financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in accordance with its Corporate Social Responsibility (CSR) Policy.

Since the Company did not meet the prescribed criteria relating to average net profits for the three immediately preceding financial years, it was not required to comply with the provisions of Section 135 of the Companies Act, 2013, of FY26.

It is pertinent to note that, prior to the merger, Edelweiss Retail Finance Limited (ERFL) was covered under the applicability of Section 135 based on its standalone financial statements. Accordingly, ERFL incurred CSR expenditure of ₹0.24 crore for the period from April 2025 to September 2025.

However, pursuant to the merger of ERFL with the Company, w.e.f 30th September, 2025, the CSR provisions are not applicable to the merged entity, as the prescribed thresholds under Section 135 are not met on a combined basis.

Accordingly, the details provided above pertain only to the CSR expenditure incurred by ERFL during the period from April 2025 to September 2025, as stated above.

Prevention of Sexual Harassment of Women at Workplace

The Company prohibits any form of sexual harassment, and any such incidence is immediately investigated, and appropriate action is taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has in place, a corporate policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (the 'Policy') and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("POSH Act"). The Company also has in place an Internal Committee constituted under POSH Act and Rules made thereunder to look into all complaints of sexual harassment made by an Aggrieved Person where the sexual harassment has taken place at workplace or in the course of official duties.

There was no sexual harassment complaint filed during the financial year and no complaint was pending at the end of the financial year.

Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings/ Outgo

A. Conservation of energy

(i) Steps taken or impact on conservation of energy:

The operations of the Company are not energy intensive in nature. Nevertheless, the Company remains committed to responsible energy management and has implemented appropriate measures to optimise energy usage across its operations. These initiatives include:

- Rationalisation of IT infrastructure across branch locations by reducing dependence on onsite hardware and progressively centralising operations, thereby lowering energy consumption and improving operational efficiency.
- Periodic and proactive maintenance of supporting equipment such as uninterruptible power supply (UPS) systems, batteries, and air-conditioning units to ensure optimal performance, prevent energy loss, and extend asset life.

(ii) Steps taken by the Company for utilising alternate source of energy:

While the Company's current operations do not involve significant energy consumption, it maintains a forward-looking approach towards sustainability. The Company remains open to evaluating and adopting alternative and renewable energy solutions as its operational scale and business requirements evolve, including potential initiatives supporting its field workforce. This approach ensures preparedness for future sustainability initiatives, contributes to environmental conservation, and may offer long-term operational efficiencies.

(iii) The capital investment on energy conservation equipment - Nil.

B. Technology absorption

(i) The efforts made towards technology absorption:

The Company continues to make sustained investments in technology to enhance operational efficiency, scalability, customer experience, and regulatory compliance.

- The Company has implemented an integrated, end-to-end digital loan origination platform to standardise and automate key processes including customer onboarding, credit assessment, approval, and disbursement. The system-driven workflows have improved transparency, reduced turnaround time, and strengthened regulatory compliance and audit trails.
- Customer-facing digital channels were modernized to improve user interface, navigation, and performance. These enhancements have strengthened digital engagement, improved accessibility, and supported customer acquisition and servicing across devices.
- The underwriting and credit profiling framework was upgraded with advanced analytics and rule-based decisioning to improve risk assessment, credit accuracy, and consistency, while aligning underwriting practices with evolving risk policies.

- Mobility-enabled digital applications were deployed for internal sales teams to digitise lead management, application sourcing, and documentation. This has enhanced field productivity, reduced manual processes, and enabled real-time monitoring of sales activities.
- Secure, consent-based access to customer financial data was enabled in line with regulatory guidelines, improving income assessment, underwriting quality, and data privacy.

In parallel, the Company has systematically phased out legacy applications and transitioned to a cloud-first enabling improved scalability, cost optimisation, system resilience, and business continuity.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The technology-driven initiatives have yielded measurable benefits, significantly impacting our product offerings and operational cost structures:

The technology initiatives have delivered measurable operational and customer-centric benefits:

- Automated, workflow-driven loan processing has resulted in faster turnaround times, improved process standardisation, and enhanced compliance adherence.
- Integration of sales channels with core systems has eliminated data duplication, improved data accuracy, and reduced processing and onboarding errors.
- Advanced underwriting analytics and profiling have strengthened credit decision-making, improved risk segmentation, and enhanced portfolio quality.
- AI-enabled document recognition and automated validation mechanisms have significantly reduced data-loss risks and improved customer onboarding experience.
- Secure financial data access has reduced reliance on physical documents while improving underwriting efficiency and transparency.
- Overall system integrations and digital upgrades have improved operational controls, reduced compliance exposure, and enhanced customer satisfaction.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable

(iv) The expenditure incurred on Research and Development:

a) The Company continues to leverage innovation as a key enabler of business growth and risk optimisation. During the year, targeted initiatives in Artificial Intelligence and Machine Learning were undertaken to analyse historical and transactional data, enabling deeper insights into customer behaviour, credit risk patterns, and portfolio performance. These capabilities support sharper underwriting decisions and help align product offerings more closely with evolving customer needs.

b) In addition, the Company adopted a disciplined approach to innovation by undertaking several proof-of-concept initiatives to assess emerging and cutting-edge technologies. These evaluations were executed at minimal or no incremental cost, allowing us to validate scalability, effectiveness, and business relevance prior to enterprise-wide adoption, while maintaining prudent cost management.

The Company operates in a highly automated and digitally enabled environment supported by a robust IT governance framework. Comprehensive information security controls and a well-defined business continuity plan are in place to mitigate technology-related risks. The Company adheres to the Information Security and Cyber Security policies prescribed under the RBI Master Direction on the Information Technology Framework for NBFCs. Independent Information Systems audits are conducted under the oversight of the Head – Internal Audit, providing reasonable assurance to Management. Employees undergo mandatory and periodic information security awareness and training programmes to ensure continuous compliance and risk awareness across the organisation.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year. There was outgo of ₹1.49 crore (previous year: ₹2.12 crore).

Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Other Disclosures

- No disclosure is required in respect of the details relating to the issue of Equity Shares with differential rights as to dividend, voting or otherwise and Sweat Equity Shares, as the Company has not issued these types of shares.
- There were no significant or material orders passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the Company's operations in future.
- Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.
- There was no instance of one-time settlement with any Bank/ Financial Institution in respect of loan taken by the Company.
- There was no revision in the financial statements of the Company.

Deposits

The Company neither held any public deposits at the beginning of the year nor has it accepted any public deposits during the year.

Whistle Blower Policy/ Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013, the Company has in place a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and to take suitable steps to investigate and correct the same. The Directors, employees, vendors, customers or any person having dealings with the Company may report non-compliance of the Policy to the reporting platforms as mentioned in the policy. The copy of the Policy is available on https://www.eclf.com/api/upload/view-pdf?name=Whistleblower_Policy_-_November_7__2025.

The Directors and the Management personnel maintain confidentiality of such reporting and ensure that the whistleblowers are not subjected to any discrimination. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism. No person was denied access to the Audit Committee during the year.

There was no complaint filed during the financial year and no complaint was pending at the end of the financial year.

Compliance with the Maternity Benefit Act, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

Particulars of Employees

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees are set out in the annexure to this Report. In terms of the provisions of Section 136 of the Act, the Report is being sent to the Members of the Company excluding the annexure. Any Member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

Further, disclosures on managerial remuneration as required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure V to this Report.

Gender-Wise Composition of Employees

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on the March 31, 2026:

Employment type	Male	Female	Transgender	Total
On-roll	519	66	0	585
Off-roll	117	15	0	132
Total	636	81	0	717

This disclosure reinforces the Company's efforts to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

Maintenance of Cost Records

The Company is not required to maintain Cost Records as specified by the Central Government under Section 148 (1) of the Act.

Additional Corporate Governance Disclosures pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

Composition of the Board as on March 31, 2026:

Name of Director	Director since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
				Held	Attended		Salary and other compens-ation	Sitting Fee	Commissi-on	
Mr. Rashesh Shah	01-08-2021	Chairman	00008322	6	6	7	-	-	-	
Mr. Shiva Kumar	28-07-2022	Independent Director	06590343	6	6	3	-	15,00,000	10,00,000	
Mr. Sameer Kaji	29-09-2022	Independent Director	00172458	6	6	9	-	19,70,000	10,00,000	
Mr. Aalok Gupta	29-09-2022	Independent Director	08195214	6	6	0	-	18,00,000	10,00,000	
Mr. Atul Pande	24-01-2023	Independent Director	00074361	6	6	2	-	15,75,000	10,00,000	
Ms. Ananya Suneja	04-02-2026	Additional (Non-Executive)	07297081	0	0	6	-	-	-	
Mr. P Kumaresan	23-05-2025	LIC Nominee Director	09191860	5	5	0	-	6,75,000	-	
Mr. Ajay Khurana	01-04-2025	Managing Director	09076961	6	6	0	1,92,58,293	-	-	
Ms. Kashmira Mathew	04-01-2024	Executive Director	02341875	6	6	0	2,24,50,830	-	-	

Details of change in composition of the Board during the current FY26 and previous FY25.

Name of Director	Name of Director Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (resignation,	Effective date
Mr. P Kumaresan	Nominee Director	Appointment	23-05-2025
Ms. Ananya Suneja	Additional (Non-Executive) Director	Appointment	04-02-2026

(iv) General body meetings held during FY2025-26

Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
Extra Ordinary General Meeting	Date: June 23, 2025 Place: Registered office of the Company situated at Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (West), Mumbai – 400 070	• Appointment of Mr. Ajay Khurana (DIN: 09076961) as Managing Director • Issue of Non-convertible Debentures on Private Placement basis • Approving the revised remuneration of Ms. Kashmira Mathew (DIN: 02341875), Executive Director of the Company
Annual General Meeting	Date: September 4, 2025 Place: Edelweiss House, Off C.S.T. Road, Kalina, Santacruz, Mumbai – 400 098	None

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (the Act), the Directors confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) Accounting policies have been selected and applied consistently and judgments and estimates made, 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 profit and loss of the Company for the financial year ended on that date;

(iii) Proper and sufficient care has been taken for the 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 fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis;

(v) Internal financial controls have been laid down and the same are adequate and were operating effectively; and

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Debenture Trustees

SBICAP Trustee Company Limited

202, Maker Tower - E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020
Tel: + 022 4302 5555 Fax: +91 22 4302 5500
E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com
Contact Person: Ms. Shaanya Srivastava

Axis Trustee Services Limited

2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.
Tel:- 022 2425 5216 / 5216
E-mail: debenturetrustee@axistrustee.com Website: www.axistrustee.com
Contact Person: Ms.

Beacon Trusteeship Limited

4 C& D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai - 400 051
Tel: +91 22 26558759
Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in
Contact Person: Mr. Vitthal Nawandhar

IDBI Trusteeship Services Limited

Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai - 400001
Tel: + 91 22 40807075
E-mail: compliance@idbitrustee.com
Website: http://www.idbitrustee.com
Contact Person: Mr. Hardik Shah

Acknowledgments

The Board of Directors wish to acknowledge the continued support extended and guidance given by the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Depositories, Ministry of Corporate Affairs, Banks, Government authorities and other stakeholders. The Board would like to acknowledge the support of its customers, investors and members. The Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
ECL Finance Limited

Date: April 26, 2026
Place: Mumbai

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Annexure I

Management Discussion & Analysis Report
MSME Finance - Landscape, Trends, and Key Updates

Structural Importance of the MSME Sector

The MSME sector continues to be a foundational pillar of the Indian economy, contributing approximately 30% of GDP, ~41% of manufacturing GVA, and ~45% of national exports, while also providing employment to a significantly large workforce. As of March 2026, Udyam and Udyam Assist registrations stand at ~7.9 crore enterprises, with nearly 99% classified as Micro enterprises, underscoring both the scale of the segment and the latent demand for formal credit solutions.

Despite its economic relevance, MSMEs remain materially underpenetrated in institutional finance. The total MSME credit addressable market is estimated at ~₹64 lakh crore, while the structural credit gap remains ~₹30 lakh crore, reinforcing the long-term opportunity for specialised and risk-calibrated lenders.

Industry Structure and Credit Landscape

As of September 2025, total MSME credit outstanding* has expanded to approximately ₹43.3 lakh crore, growing at a robust ~18% YoY. Growth momentum is primarily driven by Micro and Small enterprises, which together account for ~97% of active loan accounts by count and ~77% of POS value, reflecting the dominance of granular, high-velocity credit demand within the MSME ecosystem. While Micro enterprises continue to dominate loan counts, the Small enterprise segment holds ~40% of total POS value.

The Medium segment, though larger in ticket size, remains relatively less attractive due to tighter pricing, higher operational complexity and lower risk-adjusted returns, especially for NBFCs.

*For exposure up to ₹100 crore and covers only TL, Property Loans, WC (CC & OD) considered as MSME by bureau.

Evolving Lender Mix and Competitive Dynamics

The MSME lending ecosystem remains competitively diversified across PSU banks, Private sector banks and NBFCs. NBFCs have emerged as the fastest-growing cohort, with ~71% growth in MSME AUM between Sep'23 and Sep'25, significantly outpacing banks, and reinforcing their relevance in niche, underserved, and faster-turnaround segments.

Notably, Micro and Small enterprises account for ~78% of NBFC MSME outstanding, reflecting strong alignment between NBFC economics and the dominant MSME demand clusters.

Product Mix and Structural Shift Towards Secured Financing

From a structural standpoint, property-backed loans constitute a significant share of MSME portfolio exposure, particularly within the Small and Medium segments, reflecting sustained demand for long-term investments, capacity expansion and modernisation. Bridging the working capital gap remains the primary purpose for which the loans are availed, reflecting the continued need to manage cash flow cyclicality and sustain business operations.

A key industry development has been the rapid expansion of Loan Against Property (LAP) portfolios. The LAP market is expected to grow at ~15–17% CAGR, reaching ~₹23 lakh crore by FY28P. NBFCs have grown fastest in this segment with ~19.4% CAGR, increasing market share to ~23.3%, supported by data-led underwriting and collateral-backed risk structures.

LAP's characteristics of full collateral cover, lower delinquency, improved recovery prospects and stable margins have positioned it as a foundational secured asset class within MSME portfolios, driving a gradual industry-wide shift towards secured financing structures.

Technology-led Transformation and Risk Management Advances

Technology has emerged as a defining structural driver within MSME finance. Lenders are increasingly deploying advanced analytics, AI-driven underwriting and digital sourcing models to improve credit decisioning, reduce TATs and enhance scalability. The integration of GST data, Udyam registration data, bureau insights and digital payment trails has significantly improved credit visibility, reduced information asymmetry and strengthened fraud and early-warning frameworks.

These advancements have enabled lenders to pursue calibrated growth without materially compromising portfolio quality, even amidst rapid balance sheet expansion.

Asset Quality Trends

Despite robust growth across products and lenders, sector-wide asset quality indicators have remained resilient. Risk outcomes across MSME portfolios indicate that lenders adopting disciplined underwriting, granular ticket sizes and secured structures have been able to sustain stability through cycles. Peer evidence highlights that AUM scaling of 2x–5x over a three-year period is achievable while maintaining GNPA levels broadly below ~3%, provided growth is quality-led rather than volume-driven.

Policy Support and Formalisation Tailwinds

Formalisation continues to be a powerful structural tailwind. The expansion of GST, Udyam registrations, account aggregator frameworks and digital payments has enlarged the addressable borrower universe and improved lender confidence. Additionally, PSL obligations (~40% of bank advances) continue to create supply-demand mismatches, positioning NBFCs as critical partners in originating priority-sector compliant MSME assets through DA/PTC structures.

Outlook

Overall, the MSME finance industry remains structurally well-positioned for sustained long-term growth. A large unmet credit gap, improving data availability, increasing lender sophistication and strong policy support together create significant headroom for responsible expansion. The opportunity lies in quality-led scaling, deeper penetration of secured products, disciplined unsecured exposure, and technology-enabled underwriting frameworks that balance growth with resilience.

Sources of data: Ministry of MSME-Dashboard; SIDBI: Understanding Indian MSME sector, MSME Annual Report-GoI; CRIF/KPMG Reports

ECL Finance Overview

ECL Finance Limited (ECLF), incorporated on July 18, 2005, is a Public Limited Company recognised as a NBFC - Middle Layer (ML) under Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025 as amended from time to time. The Company received its Certificate of Registration (N-13.01831) from the RBI on April 24, 2006, under Section 45-IA of the Reserve Bank of India Act, 1934. This certification authorises ECLF to operate as a Non-Banking Financial Institution that does not accept public deposits, subject to the conditions outlined by the RBI.

ECLF has established itself as a niche participant in MSME lending, with a strategic focus on borrower segments where it believes risk-adjusted returns are attractive and sustainable. Our vision is to be a trusted financial partner to the micro, small and medium enterprises in their growth journey to success. To achieve this, we continue to broaden our product suite, improve operational efficiency and deepen digital capabilities.

During FY26, MSME disbursements amounted to ₹1,051 crore, and MSME Assets Under Management stood at ₹1,431 crore as of March 31, 2026. The MSME portfolio exhibited stable asset quality, supported by calibrated sourcing, strengthened credit governance and improved collection and monitoring mechanisms.
Loan Against Property (LAP) constitutes the Company's flagship MSME product and forms the core of its lending portfolio. The product caters to MSMEs seeking structured, medium-to-long tenure financing, supported by underlying collateral. From a risk management perspective, LAP enables better alignment between asset duration and funding tenor, supporting balance sheet resilience.

In line with its long-term MSME strategy, the Company has shifted from an asset-light, co-lending model to building an on-balance-sheet MSME portfolio to strengthen control over origination, underwriting, pricing and portfolio composition. This calibrated transition enables retention of full lending economics, improved accountability across the credit lifecycle, while maintaining portfolio quality and risk metrics within internal thresholds.

Technology and data analytics form an integral part of ECLF's MSME operating model. The Company has implemented digital workflows and analytics-based decision support systems across origination, underwriting and portfolio monitoring. These initiatives have contributed to improved turnaround times, consistency in credit assessment and proactive risk monitoring, while supporting scalable operations.

Core Capabilities

Strengthening Channel Partnerships and Driving Growth through Granular Focus

During the year, ECLF continued to strengthen its sourcing and distribution strategy across MSME segments, with Loan Against Property remaining the principal contributors to business volumes and portfolio scale. This product continues to anchor the Company's MSME franchise, supported by established distribution channels, seasoned credit frameworks and strong demand from borrowers.

ECLF continued to deepen its channel partnerships across MSME products through a structured, relationship-driven approach. Regular Direct Sales Agent (DSA) training programmes, onboarding initiatives and engagement forums were conducted to enhance capability, regulatory awareness and alignment with the Company's risk and compliance philosophy.

Building on this core portfolio, ECLF also initiated a calibrated expansion into emerging MSME markets through the launch of the Small Business Loan Against Property (SBLAP) product line. This initiative represents a strategic diversification of the MSME offering, aimed at addressing the secured credit needs of under-penetrated small business owners and first-time formal borrowers in emerging markets, while maintaining prudent risk standards.

The Company undertook a significant enhancement of its physical presence by establishing 40 exclusive branches across selected locations in Tamil Nadu and Gujarat. These states are characterised by robust trade and manufacturing activity, high density of small enterprises and favourable collateral ownership patterns, making them conducive markets for Small Business LAP offerings. The newly established branches are primarily focused on direct sourcing through ECLF employees, enabling closer customer engagement and stronger on-ground credit assessment. This model is also expected to progressively improve customer loyalty and acquisition economics by nullifying dependence on intermediary-led sourcing.

The integrated sourcing model has strengthened ECLF's MSME capabilities. This approach enables the Company to balance scale and stability with selective expansion unlock ancillary opportunities such as insurance cross-sell and build a sustainable platform for long-term MSME growth.

While LAP continued to drive scale during the year, the Small Business LAP portfolio remained at an early stage with close performance monitoring.

In line with its overall risk framework, the Company maintained a disciplined approach to portfolio construction, with continued emphasis on secured exposures, conservative loan-to-value parameters and robust legal and technical evaluations.

Building Robust Governance, Compliance and Resilience

At ECL Finance Limited (ECLF), we view compliance not merely as a regulatory requirement but as an intrinsic part of our organisational culture and ethos. In an evolving financial landscape, we are actively recalibrating our business model to balance sustainable growth with institutional resilience, ensuring long-term value creation for all stakeholders. Our approach integrates and anchor “Compliance First” and “Regulations Plus” principles with a growing emphasis on Regtech and a strong compliance culture across the organisation. While regulatory compliance, financial prudence, and risk management remain core priorities, we are equally committed to advancing technology-led transformation, customer-centricity, and ethical leadership across all levels. Guided by our Board, we continue to enhance our governance framework with a sharp focus on outsourcing risks, cybersecurity resilience, and customer trust. Through responsible innovation and consistent high service standards, we aim to build a resilient, adaptive, and customer-focused organisation that earns long-term trust and delivers sustainable value to all stakeholders. Harnessing the Power of Data: Driving

Efficiency, Risk Management, and Customer Value at ECLF, data analytics has become a cornerstone of our strategic and operational framework.

Key Financial Performance Highlights

(₹ in Crores)

Particulars	FY2025-26	FY2024-25
Total Income	672.13	**742.76**
Total Expenditure	654.39	675.08
(Loss)/Profit before Tax	17.74	**67.68**
Provision for Tax (including Deferred Tax and fringe benefit tax, if any)	3.88	13.95
(Loss)/Profit after Tax	13.86	**53.73**
Other Comprehensive Income/(Loss)	(107.92)	(1,427.61)
Add: Profit and Loss account balance brought forward from previous year	(481.78)	899.57
Profit available for appropriation	(575.84)	(474.30)
Appropriations		
- ESOP charge	-	0.84
- Impact of Lease accounting		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(2.77)	(11.08)
- Transfer from revaluation reserve	22.79	2.76
- Transfer from Debenture Redemption Reserve	-	-
- Impairment reserve		
- Deemed distribution during the year		
Surplus carried to balance sheet	**(555.82)**	**(481.78)**
Net worth (Net worth = Equity share capital + Other equity)	**2,029.42**	**2,126.95**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2026, and March 31, 2025, accordingly, no amount is required to be transferred to the impairment reserve.

Summary of ECL Finance standalone financial highlights during FY2026:

- Total Revenue ₹672.13 crore (₹742.76 crore for FY2025), down 9.51%
- Profit after Tax ₹13.86 crore (₹53.73 crore for FY2025), down 74.2%
- *Net worth ₹1,437.34 crore (₹1,537.84 crore at the end of FY2025)
- Return on Average Equity 0.67% (1.97% for FY2025)
- Return on Average Assets 0.18% (0.52% for FY2025)
- EPS ₹0.04 (₹0.18 for FY2025) (FV ₹1.00 per share)

*** net of Deferred Tax Assets.**

Income

Fund Based Revenue

Fund based revenue comprises of interest income and revenue from treasury and dividend income.

Interest income continued to be a major contributor to the gross revenue from operations at ₹420.06 crore as against

₹461.82 crore during the previous year, constituting around 62.50% of the total income. Decrease in interest income is due to reduction in average loan book during the year.

Net profit on fair value changes on financial instrument stood at ₹128.18 crore as against ₹178.75 crore during the previous year, constituting 19.07 % of total income.

Fee and Commission

Our fee & commission revenue was ₹68.00 crore for the year, compared to ₹70.85 crore in FY2025.

Expenses

Our total costs for FY2026 was ₹654.39 crore(₹675.08 crore in FY2025), down by 3.06%.

Credit Cost

During the current year, the Company has recorded for the year ended March 31, 2026, an amount of ₹14.52 crore towards impairment on financial instruments, ₹0.40 crore towards loss on derecognition of financial instrument.

Employee benefit expenses

Employee benefit expenses for FY2026 were ₹55.38 crore (₹85.52 crore in FY2025).

Based on the revised definition of wages and expanded eligibility criteria, the Company has recognised an incremental expense of ₹0.75 crore during the year ended March 31, 2026 on account of past service cost in accordance with Ind AS 19 – Employee Benefits and disclosed as an exceptional item.

Other expenses

Other expenses including depreciation and amortisation for FY2026 were ₹74.33 crore (₹132.01 crore in FY2025), down by 43.69%.

Profit after tax

The Company has posted profit after tax of ₹13.86 crore for FY2026 against profit after tax of ₹53.73 crore for FY2025.

Analysis of Profitability

The Company has posted profit after tax of ₹13.86 crore for FY2026 which has decreased from FY2025, primarily due to Net gain on derecognition of financial instruments in FY2025.

Balance Sheet Gearing

For an NBFC like ECLF, financial capital is one of the most important resources. We believe that a strong balance sheet imparts unique ability to our Company, strengthening our ability to meet demands of our diversified clientele base, capture any episodic opportunities and be able to raise debt capital whenever required. ECLF has a total net worth of ₹1,437.34 crore as at the end of FY2026 compared to ₹1,537.84 crore at the end of FY2025. Amount of debt on the Balance Sheet as on March 31, 2026, was ₹4,776.89 crore (₹6,116.17 crore as on March 31, 2025), a Gearing Ratio of 2.35 times. The gross Balance Sheet size at the end of FY2026 was ₹7,079.41 crore compared to ₹8,742.33 crore a year ago.

The asset quality of the overall credit book continued to remain under control in spite of headwinds with Gross NPLs at 2.20% and Net NPLs at 1.21% as on March 31, 2026, compared to 2.73 % and 1.60% respectively a year ago. The specific Provision Coverage Ratio (PCR) on Gross NPLs was 45.46% at the end of FY2026 compared to 42.06% at the end of FY2025. Total Provision Cover including the expected credit loss provision on stage I and II assets is 116.89 % at the end of this year compared to 149.80% at the end of FY2024.

Capital Adequacy Ratio

As per the Non-Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15%. Our CRAR over the period of last two years is as under:

Total Income	March 31, 2026	March 31, 2025
CRAR prescribed by RBI %	15	15
Total CRAR	29.86%	34.16%
Out of which:		
Tier I	29.83%	31.46%

Enterprise Risk Management

At ECL, Enterprise Risk Management (ERM) is a central pillar of our governance and strategic decision-making framework. Our ERM framework provides a structured and proactive approach to identifying, assessing, and managing risks across the organisation. Risk oversight is integrated into business processes, supported by strong governance, clear accountability, and regular risk reviews.

We maintain continuous monitoring of credit, operational, market, liquidity, outsourcing, fraud, technology, and compliance risks through a coordinated effort between business units and the central risk function. Technology-enabled controls, real-time reporting, and early-warning mechanisms strengthen our ability to detect emerging risks and ensure timely intervention.

A strong risk culture is fostered across the organisation through training, awareness and consistent adherence to policies and regulatory requirements.

Environmental, Social and Governance (ESG) considerations are integrated into our risk thinking to ensure that long-term sustainability, ethical business conduct, and responsible operations remain integral to our strategy.

Our ERM framework enables resilience, supports prudent growth, and ensures that risk management remains aligned with regulatory expectations and industry best practices.

Internal Control Policies and Their Adequacy

At ECL Finance Limited (ECLF), robust internal controls and a strong compliance ethos form the backbone of our governance framework. Consistent with the Edelweiss Group's overarching commitment to transparency and stakeholder trust, ECLF embeds compliance into its operational DNA as a critical pillar of responsible corporate conduct. Our internal control systems are designed and implemented in a manner commensurate with the size, scale and complexity of our operations, as well as all applicable statutory and regulatory frameworks. These controls are structured to ensure operational efficiency, prudent resource utilisation, reliable and timely financial reporting, and sustained compliance with the highest standards of governance and ethical conduct.

They offer reasonable assurance on the accuracy of accounting records, prevention and early detection of fraud and errors, and compliance with regulatory provisions, including Section 134(5) (e) of the Companies Act, 2013.

Human Resources

Building a Future-ready, People-Centric Organisation

At ECL Finance Limited (ECLF), our people continue to be the cornerstone of our long-term value creation and sustainable growth. In FY26, we further strengthened our people strategy by deepening the integration of progressive HR practices, fostering a culture of inclusion, agility, and high performance. Our continued focus on capability building, leadership development, and employee experience has enabled us to build a resilient, future-ready organisation aligned with evolving business priorities.

Fostering a Culture of Inclusion and Engagement

During the year, the organisation continued to strengthen its focus on employee engagement and culture-building through a series of thoughtfully curated initiatives. Key festivals and organisational events were celebrated across locations, fostering a sense of inclusion and shared identity. Engagement was further enhanced through structured tournaments such as chess and cricket, which encouraged collaboration, team bonding, and a strong sense of organisational spirit.

A key highlight of the year was the successful launch of the ECLF 2.0 initiative, which was unveiled during a 3 Day Leadership Summit. The summit brought leaders from across the organisation onto a common platform, enabling strategic discussions, strengthening alignment, and ensuring a shared understanding of ECLF 2.0 and its role in reinforcing organisational values across all levels. The forum also served as an opportunity to reflect on business, collective pride, and a unified direction for the way forward.

We partnered with NGOs by providing them a platform within the organisation to showcase and promote their products. This initiative supported community development while encouraging employees to actively engage with, support and contribute to meaningful social causes, thereby strengthening the organisation's commitment to social responsibility.

These initiatives collectively contributed to building a more connected, engaged, and socially responsible workforce.

Continuous Learning and Leadership Development

Our learning and development initiatives during the year were anchored in the need for regulatory agility and superior service delivery, with a strong focus on strengthening product knowledge across core functions and enhancing customer engagement capabilities.

We delivered robust compliance and functional training through deep-dive Shiksha product sessions, alongside modules on Account Aggregator, CAS, CKYC, the M-Collect application for collections teams and AML/KYC compliance. These programmes were tailored for Sales, Operations, and Credit teams, enabling greater underwriting accuracy, seamless onboarding, and strict adherence to regulatory standards. In parallel, targeted behavioural workshops for our Customer Service teams focused on empathy, conflict resolution, and behavioural agility to elevate the overall customer experience.

By bridging functional expertise with compliance, these interventions have strengthened our operational risk management framework and built a more agile, future-ready workforce.

Complementing these efforts, leadership alignment, and capability building remained central to our agenda, enabling cohesive and purpose-led transformation. To this end, a 3 Day Leadership Summit was organised, bringing together our leaders to drive strategic alignment and collective ownership of the ECLF 2.0 vision. The summit symbolised transition, unity, and a shared commitment to the organisation's next phase of growth, fostering open dialogue and reinforcing a collaborative leadership approach.

A follow-up refresher session helped sustain momentum by revisiting key themes and reinforcing alignment for execution. Collectively, these initiatives strengthened alignment on ECLF 2.0 priorities, deepened collaboration and trust across the leadership team, and fostered a strong sense of ownership and accountability, while reinforcing a future-ready leadership mindset.

Commitment to Wellbeing and Governance

Employee wellbeing remained a core HR priority, driven through structured, accessible, and proactive people practices. During the year, we strengthened employee support through fortnightly helpdesk initiatives and targeted awareness communications, improving access and benefit utilisation.

Medical helpdesks enabled faster resolution of insurance-related queries, enhancing transparency and turnaround efficiency. Librarywala helpdesks improved access to learning resources, while focused campaigns increased utilisation of Annual Health Check-up benefits, reinforcing preventive healthcare adoption. We undertook wellness initiatives across physical and preventive health, mental and emotional wellbeing, lifestyle and nutrition, and financial wellness, through onsite camps, webinars, and interactive workshops to ensure broad participation.

Workplace governance remained robust, supported by active POSH Committees, Disciplinary Committees, and well-defined data privacy and protection frameworks, reinforcing a safe, ethical, and inclusive work environment.

Data-driven People Practices

Data-led HR practices were further scaled through enhanced analytics and dashboards, enabling timely and informed decisions across workforce planning, business scalability, employee development, and attrition analysis.

Stronger HR system integration improved data accuracy, reporting efficiency, and leadership visibility into workforce trends, reinforcing consistent, technology-enabled, and evidence-based HR decision-making aligned with business priorities.

Technology Risk and Governance

The Company recognises technology risk as a critical enterprise risk and has established a robust governance mechanisms are in place to ensure the confidentiality, integrity, and availability of information assets. The Board and senior management provide strategic direction and periodic oversight, supported by structured risk assessments, internal controls, and independent audits. Key initiatives around cybersecurity, data protection, infrastructure resilience and regulatory compliance continue to strengthen the Company's risk posture while enabling secure and sustainable digital transformation.

Strengthening Collections Through Technology-led Transformation

During FY26, we introduced M-Collect, a mobile-based application, marking a significant milestone in enhancing process-driven collections. The system enables comprehensive recording and documentation of customer interactions, along with geo-tagging of field visits, thereby strengthening transparency and accountability. This technology-led intervention facilitates systematic, real-time monitoring and review of collection activities, improving operational efficiency and ease of supervision, while ensuring alignment with regulatory guidelines.

Customer Engagement Enhancements

We enhanced the CRM platform by enabling seamless access to critical loan servicing information directly within the interface. This provides teams with a more unified and intuitive view of customer data, enabling faster response times, improved service quality, and a more consistent customer experience across interactions.

Regulatory Compliance and IT Security

In line with our digital expansion, regulatory compliance and information security remain foundational to our operations. We align with applicable regulatory guidelines and requirements, ensuring that compliance and security considerations are seamlessly integrated across business processes. We continuously refine our systems and practices to keep pace with evolving business and regulatory landscapes. Our information security framework is supported by the adoption of advanced technologies and evolving safeguards, helping protect customer data and uphold the reliability of our digital platforms. Ongoing monitoring and risk management efforts further support operational stability and reinforce trust across our services.

Technology Initiatives and Outlook

In FY26, our technology function played a pivotal role in advancing the organisation's digital priorities while ensuring operational resilience. We successfully delivered key strategic platforms such as an advanced Customer Acquisition System (CAS), Collection System, Sales Application for lead management and customer onboarding, supported by extensive API integrations like Account Aggregator to automate process workflow that improved efficiency, accuracy, and scalability. We launched our enhanced website with a strong focus on customer centricity. It delivers a faster, simpler, and more intuitive experience for customers.

The year also saw continued focus on enterprise security, governance and system stability, ensuring high availability and seamless business operations.

The IT team enabled timely rollout of new branches by ensuring complete infrastructure, network readiness, and secure connectivity. Standardised deployment and centralised provisioning ensured seamless operations and compliance from day one.

Enhancing Customer Experience through Digital Innovation

At ECL Finance Limited, enhancing customer experience remains central to our technology-led transformation. During the year, we launched a new website and customer portal, enabling seamless self-service, and faster omnichannel query resolution, and introduced a new sales app that streamlined onboarding and reduced turnaround times.

Simplified processes across onboarding, servicing and grievance redressal, along with a strengthened complaint management framework, have enhanced responsiveness and governance. Supported by targeted employee training, these initiatives helped maintain our Net Promoter Score (NPS) at 81%, alongside higher customer satisfaction, reduced complaints and increased customer trust.

Cautionary Statement

Statements made in this Annual Report may contain certain words or phrases that are forward-looking statements, which are tentative, based on current expectations of the management of ECL Finance Limited. Actual results may vary from such statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of ECL Finance as well as the ability to implement its strategy. The information contained herein is as of the date referenced and ECL Finance does not undertake any obligation to update these statements. ECL Finance has obtained all market or industry data and other information from sources believed to be reliable or through its internal estimates unless otherwise stated, although its accuracy or completeness cannot be guaranteed. Some part of the report relating to businesswise financial performance, balance sheet, asset books of ECL Finance, and industry data herein is reclassified/ regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off or approximated in the interest of easier understanding. Prior period or other figures have been regrouped/ reclassified/ recasted wherever necessary. All information in this presentation has been prepared solely by the company and has not been independently verified by anyone else.

Annexure II

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

I. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions relationship	Date of approval by the Board relationship	Amount paid as advances, if any relationship	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
				-	-	-	-	-

II. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (₹ in crores)	Date of approval by Board	Amount paid as advances, if any
1	**Edelweiss Financial Services Limited**	Loans taken from	One Year	100.00	January 27, 2026 February 4, 2026	NIL
2	**Edelweiss Investment Advisors Limited**	Loans given to	One Year	100.00	January 27, 2026 February 4, 2026	NIL
3	**Edel Finance Company Limited**	Purchases of securities from	One Time	211.94	January 27, 2026 February 4, 2026	NIL
4	**Edelweiss Securities and Investments Private Limited**	Sale of securities to	One Time	211.94	January 27, 2026 February 4, 2026	NIL
5	**Ecap Equities Limited**	Sale of securities to	One Time	266.32	January 27, 2026 February 4, 2026	NIL
6	**Edelweiss Rural and Corporate Services Limited**	Sale of properties to	One Time	93.58	January 27, 2026 February 4, 2026	NIL

Notes:

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are transacted at arm's length and in the ordinary course of business.
- The transactions captured above are the ones that exceed 10% of the annual turnover for the previous financial year, i.e., FY2024-25.

For and on behalf of the Board of Directors
ECL Finance Limited

Ajay Khurana
Managing Director
DIN: 09076961

Date: April 26, 2026
Place: Mumbai

Annexure III

Terms of Reference of Board Committees

I. Audit Committee

1. Oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient, and credible;

2. Recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by them;

4. Reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to:

   a. Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause © of sub-section (3) of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion (s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;

13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal

control systems of a material nature and reporting the matter to the Board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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

18. Reviewing the functioning of the whistle blower/ vigil mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

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

23. Review the Management discussion and analysis of financial condition and results of operations;

24. Review Management letters/ letters of internal control weaknesses issued by the Statutory Auditors as well as Internal Audit reports relating to internal control weaknesses;

25. Review the Statement of Utilisation/Material Deviations: to review the Statement indicating the utilisation of the issue proceeds of non-convertible securities, till such proceeds of the issue have been fully utilised or the purpose for which the proceeds were raised has been achieved and/or a statement disclosing material deviation (if any) in the use of the issue proceeds to be submitted to the Stock Exchanges along with the quarterly financial results in terms of Regulation 52(7) and (7A);

26. To monitor fraud;

27. Consider and take on record the periodic statement/report of Related Party Transactions and grant omnibus approval for Related Party Transactions including any subsequent modifications from time to time;

28. Oversee implementation of regulatory policies including Anti Money Laundering and KYC (Know your Customer) Policies;

29. Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs;

30. Investigate into any matter in relation to the items specified in the relevant section of The Companies Act, 2013 or referred to it by the Board and for this purpose the Committee shall have full access to information contained in the records of the company and external professional advice, if necessary;

31. Review and approve such activities as may be stipulated under various statutes/ laws/ regulations including amendments thereof from time to time, to be performed by the Committee;

32. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above;

33. To authorise any executives of the Company to sign and execute the documents/deeds/papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary;

34. To oversee the implementation of the Compliance Policy and periodic review of the same;

35. Reviewing the report and findings of the compliance risk assessment conducted;

36. To prescribe the periodicity for review of compliance risk;

37. Advising on compliance related concerns including any compliance breaches, exceptions, etc. and appropriate controls/ mitigation plans for same; and

38. Any other terms of reference as may be specified by the Board from time to time.

II. Stakeholders Relationship Committee

1. Consider and resolve the grievances of the security holders and customers, including complaints related to transfer/transmission of securities including review of cases for refusal of transfer/ transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants;
3. Review of measures taken for effective exercise of voting rights by shareholders;
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar to an Issue & Share Transfer Agent;
5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
6. Redressing of shareholders and investor complaints, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, non-receipt of balance sheet, etc.;
7. Monitoring transfers, transmissions, dematerialisation, re-materialisation, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/ transmission of securities;
8. Reference to statutory and regulatory authorities regarding investor grievances and customer complaints;
9. Ensure proper and timely attendance and redressal of investor queries and grievances and customer complaints;
10. Determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman (IO) / Deputy Internal Ombudsman, if any, proposed to be appointed;
11. Oversight over grievance redressal framework including complaints reviewed by Internal Ombudsman and to ensure that standard processes and systems are in place;
12. Review the periodic reports (including the analysis of complaints) on the activities, as submitted by the Internal Ombudsman including cases in which the decision of the Internal Ombudsman has been rejected by the company;
13. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and
14. To review and approve such activities as may be stipulated under various statutes/ laws/ regulations including amendments thereof from time to time, to be performed by the Committee.

III. Corporate Social Responsibility Committee

1. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:

   a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   b. The manner of execution of such projects or programmes;

   c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. Monitoring and reporting mechanism for the projects or programmes; and

   e. Details of need and impact assessment, if any, for the projects undertaken by the Company.

2. Recommend to the Board, alteration of such plan at any time during the financial year, based on the reasonable justification to that effect;

3. Recommend the amount of expenditure to be incurred on the CSR activities;

4. Monitor the CSR Policy of the Company from time to time;

5. Review and approve such activities as may be stipulated under various statutes/ laws/ regulations including amendments thereof from time to time, to be performed by the Committee;

6. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and

7. To authorise any executives of the Company to sign and execute the any documents/ deeds/ papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary.

IV. Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. Annually review the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board and make recommendations to the Board with regard to any changes;

3. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;

4. Specify manner for effective evaluation of performance of the Board, its Committees, and individual Directors and review its implementation and Compliance;

5. Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, explore their interest and availability for board/ senior management service, recommend to the Board their appointment and removal as and when need arise;

6. To ensure 'fit and proper' status and credentials of proposed/ existing Directors and that there is no conflict of interest in appointment of Directors, KMP and Senior Management;

7. Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;

8. Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent director;

9. Work in close coordination with the Risk Management Committee to achieve effective alignment between compensation and risks and ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP);

10. Make recommendations to the Board regarding:

    a. Policy relating to the remuneration for the Directors, Key Employees and other employees;

    b. Plans for succession for both executive and non-executive Directors, Key Employees as well as Senior Management;

11. Report to the Board on its proceedings after each meeting on all matters within its responsibilities;

12. Recommend to the board, all remuneration, in whatever form, payable to senior management;

13. To review and approve such activities as may be stipulated under various statutes/laws/regulations including amendments thereof from time to time, to be performed by the Committee;

14. To obtain, at the Company's expense, outside legal or other professional advice on any matters within

the terms of reference of the Committee; and

15. Such other functions as may be prescribed from time to time.

V. Risk Management Committee

1. Identifying, measuring, and monitoring the various risks faced by the Company;
2. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks, or any other risk as may be determined by the Committee;

   b) Measure for risk mitigation including systems and processes for internal control of identified risks;

   c) Business continuity plan;
3. To ensure that appropriate methodology, processes, and systems are in place to identify, monitor, and evaluate risks associated with the business of the Company including Stress testing in coordination with business departments;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
8. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;
9. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
10. To assist in developing the Policies and verifying the Models that are used for risk measurement to have oversight over implementation of risk and related policies;
11. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;
12. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;
13. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;
14. To evaluate the overall risks faced by the Company including liquidity risk and report to the Board;
15. Evaluating the risks and materiality of all existing and prospective outsourcing activities;
16. To provide update on the non-cooperative borrowers (if any);
17. Review and approve risk management framework and related policies to ensure that all material risks are appropriately identified, measured, monitored, and controlled and are commensurate with the Company's size, nature, and complexities;
18. Ensure that the Company maintains adequate capital commensurate with its risk profile;
19. Supervision and review of Implementation of ICAAP;
20. To ensure that updates of all ICAAP working group will be presented to RMC; and
21. Any other matters as delegated by the Board.

VI. Asset Liability Management Committee

1. Review and monitoring of macro-economic scenario, impact of industry and regulatory changes monitoring

the asset liability gap and if necessary, arrange for advising RMC suitably;

2. Strategising action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:

   a. Interest rate levels and trends
   b. Loan products and related markets
   c. Monetary and fiscal policy

3. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits;

4. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system;

5. Decide the strategy on the source, tenor, and mix of assets and liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding;

6. Provide guidance to Business/treasury to review Interest rate environment, on various components of the Interest Rate model, product pricing for advances, prevailing interest rates offered by peer NBFCs/ HFC's/ Banks for similar services/ products etc, approve any changes in the interest rate charged to existing and new customers as per the interest rate model policy and reset frequencies basis overall assessment of the liquidity and interest rate risk;

7. Consider product pricing for advances, change in PLR, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/ products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies;

8. Endeavour to develop a process to quantify the liquidity costs, benefits and risk in the internal product pricing;

9. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis;

10. Review stress test scenarios including the assumptions and results;

11. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk;

12. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis;

13. Formulate & monitor ALM policy/guidelines for the Company & report any breach to RMC along with its views and comments action to be taken regarding the same;

14. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company;

15. Ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process;

16. Any other matters as delegated by the Board/ under ICAAP policy.

VII. IT Strategy Committee

1. Approving IT strategy and policy documents, within the framework approved by the Board, and ensuring that the management has put an effective strategic planning process in place;

2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Guiding in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;

4. Reviewing cybersecurity risks/ arrangements/ preparedness of the Company;

5. Reviewing, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company;

6. Ensuring that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organisation;

7. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable and that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards, and are utilised in a manner intended for meeting the stated objectives;

8. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

9. Ensuring proper balance of IT investments for sustaining ECLF's growth and becoming aware about exposure towards IT risks and controls;

10. The Role of IT Strategy committee in respect of outsourced operations;

   a. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor, and control risks associated with outsourcing in an end-to-end manner;

   b. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

   c. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;

   d. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

   e. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

   f. Periodically reviewing the effectiveness of policies and procedures;

   g. Communicating significant risks in outsourcing to the Board on a periodic basis;

   h. Ensuring an independent review and audit in accordance with approved policies and procedures;

   I. Ensuring that contingency plans have been developed and tested adequately;

   j. Ensuring business continuity preparedness is not adversely compromised because outsourcing;

11. Review the functioning of IT Steering Committee;

12. Review the functioning and the constitution of Information Security Committee;

13. The committee should appraise/report to the Board periodically and also report on particular matters to Audit Committee or Risk Management Committee, as required.

Annexure IV

Alwyn Jay & Co.
Company Secretaries
[Firm Registration No: P2010MH021500] [Peer Review Certificate No.5936/2024]
Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East),Mumbai 400101.
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107 ; Tel: 022-79629822 ; Mob: 09820465195; 09819334743
Email : alwyn@alwynjay.com Website:www.alwynjay.com

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

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
ECL Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ECL Finance Limited** (CIN - U65990MH2005PLC154854) (hereinafter called "the Company") for the financial year ended **31st March, 2026**.

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 statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2026** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable to the Company during the period under review;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as amended from time to time - As applicable to the Company with respect to its listed debentures:**

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not Applicable to the Company during the period under review;**

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 period under review;**

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not Applicable to the Company during the period under review;**

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the period under review;**

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the period under review;**

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the period under review;**

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

i) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018;

(vi) Other specific business/industry related laws applicable to the Company - The Company has complied with the Reserve Bank of India Act, 1934, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, RBI (Co-Lending Arrangements) Directions, 2025 and various RBI Master Directions and Circulars as applicable, thereunder, Insurance Regulatory and Development Authority of India (IRDAI) Regulations and the other applicable general laws, rules, regulations and guidelines.

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

(a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and

(b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 **to the extent applicable to listed Non-Convertible Debentures.**

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

We further report that –

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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;

(b) Adequate notice including shorter 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;

(c) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the Meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, there were following specific events /actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

1. Approval of the Shareholders of the Company at the Extra Ordinary General Meeting held on 23rd June, 2025 was obtained for issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures including subordinated Debentures qualifying as Tier-II debt aggregating to Rs. 5,000 crores during the period of one year from October 1, 2025, to September 30, 2026, to the eligible investors, on a private placement basis, in one or more tranches under section 42 and 71 of the Companies Act, 2013.

2. The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench vide its order dated 12th September, 2025 has approved the Scheme of Amalgamation between Edelweiss Retail Finance Limited and the Company and their respective shareholders. The amalgamation was effective on 30th September, 2025, upon filing of the certified true copy of the NCLT Order with Registrar of Companies, Mumbai.

3. Pursuant to the order passed by NCLT on 12th September, 2025, all the Non-Convertible Debenture holders (NCD holders) of Edelweiss Retail Finance Limited holding its Non-Convertible Debentures as on the record date i.e 10th October, 2025 have become the NCD holders of the Company.

4. Pursuant to the order passed by NCLT on 12th September, 2025, the Company has allotted 48,27,58,000 Equity shares of Re.1 each to the Shareholders of Edelweiss Retail Finance Limited in dematerialized form on 13th October, 2025.

5. Pursuant to the order passed by NCLT on 12th September, 2025, an application for voluntary surrender and cancellation of certificate of registration for Edelweiss Retail Finance Limited was submitted with Reserve Bank of India (RBI) on 14th October, 2025 and RBI vide its letter dated 29th December, 2025 has cancelled the same.

Place : Mumbai
Date : 26th April, 2026

ALWYN JAY & Co.
Company Secretaries

<u>Office Address :</u>
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559H000203130]

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 V

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Sr. No.	Disclosure Requirement	Disclosure Details		
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	**Directors**	**Title**	**Title**
		Mr. Ajay Khurana	Managing Director	26.91
		Ms. Kashmira Mathew	Executive Director	26.20
		During FY 25-26, Non-Executive Directors were not paid any remuneration except payment of sitting fees and Commission, if applicable.		
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors/KMP's**	**Title**	**% Increase in remuneration**
		Mr. Ajay Khurana	Managing Director	NA*
		Ms. Kashmira Mathew	Executive Director	5%
		Mr. Sandeep Agarwal	Chief Financial Officer	14%
		Ms. Inara Wadhwania	Company Secretary	26%
3.	Percentage increase in the median remuneration of employees in the financial year	-12.45%		
4.	Number of permanent employees on the rolls of Company at the end of the year	As on March 31, 2026, 585 permanent employees were on the rolls of Company.		
5.	Average percentile increase 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	The average increase in the remuneration for employees other than the managerial personnel is 13% and for managerial personnel 9%.		
6.	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

*Mr. Ajay Khurana was appointed as Managing Director w.e.f. April 1, 2025.

Financial Statements

Balance Sheet as at March 31, 2026

(Currency: Indian rupees in crores)

		Note	As at March 31, 2026	As at March 31, 2025 (Refer Note 44A)
I.	**Assets**			
(1)	**Financial assets**			
	(a) Cash and cash equivalents	9	407.17	817.46
	(b) Bank balances other than cash and cash equivalents	10	40.38	39.53
	(c) Derivative financial instruments	11	31.95	0.98
	(d) Receivables			
	(i) Trade receivables	12	21.47	38.32
	(e) Loans	13	1,723.06	1,211.65
	(f) Investments	14	3,724.70	5,661.00
	(g) Other financial assets	15	241.78	44.40
			6,190.51	**7,813.34**
(2)	**Non-financial assets**			
	(a) Current tax assets (net)	16	233.64	218.02
	(b) Deferred tax assets (net)	17	592.08	589.10
	(c) Investment property	18	2.86	4.40
	(d) Property, plant and equipment	19	17.36	66.55
	(e) Intangible assets under development	19A	1.30	–
	(f) Other intangible assets	19	4.88	3.86
	(g) Other non-financial assets	20	36.78	47.06
			888.90	**928.99**
	Total assets		**7,079.41**	**8,742.33**
II.	**Liabilities and equity**			
(1)	**Financial liabilities**			
	(a) Derivative financial instruments	11	25.77	4.32
	(b) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		2.94	0.35
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	100.95	172.40
	(c) Debt securities	22	1,751.21	1,987.11
	(d) Borrowings (other than debt securities)	23	2,329.25	3,062.45
	(e) Subordinated liabilities	24	696.43	1,066.61
	(f) Other financial liabilities	25	136.73	310.02
			5,043.28	**6,603.26**
(2)	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	26	1.39	7.57
	(b) Provisions	27	0.95	1.80
	(c) Other non-financial liabilities	28	4.37	2.75
			6.71	**12.12**
(3)	**Equity**			
	(a) Equity share capital	29	318.29	318.29
	(b) Other equity	30	1,711.13	1,808.66
			2,029.42	**2,126.95**
Total liabilities and equity			**7,079.41**	**8,742.33**
The accompanying notes are an integral part of the financial statements		1 to 55		

As per our report of even date attached.

For **G. K. Choksi & Co.**
Chartered Accountants
ICAI Firms Registration: 101895W

Sandip A. Parikh
Partner
Membership No.: 40727

Mumbai, April 26, 2026

For and on behalf of the Board of Directors

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Sandeep Agarwal
Chief Financial Officer

Inara Wadhwania
Company Secretary
Membership No.: ACS65806

Mumbai, April 26, 2026

Statement of Profit and Loss for the year ended March 31, 2026

(Currency: Indian rupees in crores)

		Note	For the year ended March 31, 2026	For the year ended March 31, 2025 (Refer Note 44A)
I.	**Revenue from operations**			
	Interest income	31	420.06	461.82
	Dividend income	32	0.58	0.89
	Fee and commission income	33	68.00	70.85
	Net profit/(loss) on fair value changes	34	128.18	178.75
II.	**Other income**	35	55.31	30.45
III.	**Total Income (I +II)**		**672.13**	**742.76**
IV.	**Expenses**			
	Finance costs	36	509.01	634.48
	Net loss/(gain) on derecognition of financial instruments	37	0.40	(181.22)
	Impairment on financial instruments	38	14.52	4.29
	Employee benefits expense	39	55.38	85.52
	Depreciation, amortisation and impairment	18 & 19	8.04	20.57
	Other expenses	40	66.29	111.44
	Total expenses		**653.64**	**675.08**
V.	**Profit/(Loss) before exceptional items and tax (III- IV)**		**18.49**	**67.68**
VI.	**Exceptional items**		0.75	–
VII.	**Profit/(Loss) before tax (V-VI)**		**17.74**	**67.68**
VIII.	**Tax expenses**			
	Current tax	41	–	0.01
	Deferred tax		2.69	13.60
	Short/(Excess) tax for earlier years		1.19	0.34
IX.	**Profit/(Loss) for the year (VII-VIII)**		**13.86**	**53.73**
X.	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement loss on defined benefit plans		1.00	5.78
	Equity instruments through Other Comprehensive Income		(114.58)	(1,481.37)
	Tax relating to items that will not be reclassified to profit or loss		5.66	47.98
	Total		**(107.92)**	**(1,427.61)**
	(b) Items that will be reclassified to profit or loss		–	–
	Total		**–**	**–**
	Other comprehensive income (a+b)		**(107.92)**	**(1,427.61)**
XI.	**Total comprehensive income (IX + X)**		**(94.06)**	**(1,373.88)**
	Earnings per equity share	42		
	(Face value of ₹ 1 each):			
	Basic (INR)		0.04	0.18
	Diluted (INR)		0.04	0.18

The accompanying notes are an integral part of the financial statements 1 to 55

As per our report of even date attached.

For **G. K. Choksi & Co.**
Chartered Accountants
ICAI Firms Registration: 101895W

Sandip A. Parikh
Partner
Membership No.: 40727

Mumbai, April 26, 2026

For and on behalf of the Board of Directors

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Sandeep Agarwal
Chief Financial Officer

Inara Wadhwania
Company Secretary
Membership No.: ACS65806

Mumbai, April 26, 2026

Statement of Cash Flows for the year ended March 31, 2026

(Currency: Indian rupees in crores)

		For the year ended March 31, 2026	For the year ended March 31, 2025 (Refer Note 44A)
A.	**Operating activities**		
	Profit/(Loss) before tax	**17.74**	**67.68**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation and impairment	8.04	20.57
	Impairment of financial assets (net)	14.52	4.29
	Loss/(Profit) on termination of lease	(0.90)	(0.07)
	Fair value of financial instruments (net)	40.43	(32.83)
	Share based payment expense	–	0.82
	(Profit)/Loss on sale of property, plant and equipment and investment property	(43.58)	10.18
	Interest on lease liabilities	2.25	2.69
	Interest on Income tax refund	(1.71)	(13.13)
	Operating cash flow before working capital changes:	**36.79**	**60.20**
	Adjustment for:		
	(Increase) / decrease in loans	(530.92)	715.75
	(Increase) / decrease in trade receivables	16.86	465.40
	(Increase) / decrease in investments	1,767.32	294.78
	(Increase) / decrease in other financial assets	(214.24)	130.32
	(Increase) / decrease in other non-financial assets	10.29	13.95
	(Decrease) / Increase in trade payables	(68.86)	(624.00)
	(Decrease) / Increase in other financial liability	(190.39)	(120.52)
	(Decrease)/ Increase in non-financial liabilities and provisions	0.76	(14.67)
		827.61	**921.21**
	Income taxes refund/(paid)	(19.69)	46.02
	Net cash generated from operating activities - A	**807.92**	**967.23**
B.	**Investing activities**		
	Purchase of property, plant and equipment and intangible assets	(7.56)	(0.21)
	Decrease/(Increase) in intangibles under development	(1.30)	1.30
	Proceeds from sale of property, plant and equipment and investment property	95.39	48.93
	Net cash generated from/ (used) in investing activities - B	**86.53**	**50.03**

Statement of Cash Flows for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	For the year ended March 31, 2026	For the year ended March 31, 2025 (Refer Note 44A)
C. Cash flow from financing activities		
(Decrease) in debt securities (Refer below note 1)	(228.00)	(375.78)
(Decrease) in borrowings other than debt securities (Refer below note 1)	(731.54)	(354.91)
(Decrease) in subordinate debt	(338.60)	(10.10)
Repayment of lease obligations	(6.60)	(7.02)
Net cash (used) in financing activities - C	**(1,304.74)**	**(747.81)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(410.29)**	**269.45**
Cash and cash equivalent as at the beginning of the year	817.46	548.01
Cash and cash equivalent as at the end of the year (Refer note 9)	407.17	817.46
Operational cash flows from interest and dividends		
Interest paid	550.14	767.80
Interest received	453.19	463.79
Dividend received	0.58	0.89

Notes:

1. Receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. For disclosure relating to changes in liabilities arising from financing activities, refer note 46A

As per our report of even date attached.

For **G. K. Choksi & Co.**
Chartered Accountants
ICAI Firms Registration: 101895W

Sandip A. Parikh
Partner
Membership No.: 40727

Mumbai, April 26, 2026

For and on behalf of the Board of Directors

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Sandeep Agarwal
Chief Financial Officer

Inara Wadhwania
Company Secretary

Mumbai, April 26, 2026

Membership No.: ACS65806

Statement of Changes in Equity for the year ended March 31, 2026

(Currency: Indian rupees in crores)

A. Equity share capital

Particulars	Outstanding as on March 31, 2026	Outstanding as on March 31, 2025
Balance at the beginning of the year	318.29	213.83
Changes in equity share capital*	–	104.46
Balance at the end of the year	**318.29**	**318.29**

(Equity shares of ₹ 1 each, fully paid-up)

*Includes 48,27,58,000 numbers of shares alloted to ERFL shareholders based on swap ratio on October 13, 2025 (Refer Note 44A)

B. Other Equity

Particular	Reserves and Surplus								Total attributable to equity holders
	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution - equity	Revaluation Reserve	Other Comprehensive income on Equity instrument	Capital Reserve	
Balance as at 1st April 2024*	**1,499.21**	**941.33**	**611.68**	**25.44**	**14.59**	**25.55**	**(41.75)**	**0.82**	**3,076.87**
Profit for the year	–	53.73	–	–	–	–	–	–	53.73
Other comprehensive income	–	4.33	–	–	–	–	(1,431.94)	–	(1,427.61)
Total comprehensive income	**–**	**58.06**	**–**	**–**	**–**	**–**	**(1,431.94)**	**–**	**(1,373.88)**
Capital reserve on merger	–	–	–	–	–	–	–	(5.33)	(5.33)
Transfer from revaluation reserve	–	2.76	–	–	–	(2.76)	–	–	–
Transfer to statutory reserve	–	(11.08)	11.08	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Securities premium on shares issued	110.14	–					–	–	110.14
ESOP Charge		0.84					–	–	0.84
Balance as at March 31, 2025	**1,609.35**	**991.91**	**622.76**	**25.44**	**14.59**	**22.79**	**(1,473.68)**	**(4.51)**	**1,808.66**

Statement of Changes in Equity for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particular	Reserves and Surplus								Total attributable to equity holders
	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution -equity	Revaluation Reserve	Other Comprehensive income on Equity instrument	Capital Reserve	
Profit for the year	–	13.86	–	–	–	–	–	–	13.86
Other comprehensive income	–	0.75	–	–	–	–	(108.67)	–	(107.92)
Total comprehensive income	**–**	**14.61**	**–**	**–**	**–**	**–**	**(108.67)**	**–**	**(94.06)**
Transfer from revaluation reserve	–	22.79	–	–	–	(22.79)	–	–	–
Transfer to statutory reserve	–	(2.77)	2.77	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Securities premium on shares issued	(3.46)	–	–	–	–	–	–	–	(3.46)
ESOP Charge	–	–	–	–	–	–	–	–	–
Balance as at March 31, 2026	**1,605.89**	**1,026.53**	**625.53**	**25.44**	**14.59**	**–**	**(1,582.35)**	**(4.51)**	**1,711.13**

As per our report of even date attached.

For **G. K. Choksi & Co.**
Chartered Accountants
ICAI Firms Registration: 101895W

Sandip A. Parikh
Partner
Membership No.: 40727

Mumbai, April 26, 2026

For and on behalf of the Board of Directors

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Sandeep Agarwal
Chief Financial Officer

Mumbai, April 26, 2026

Inara Wadhwania
Company Secretary
Membership No.: ACS65806

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

1. Corporate Information:

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India. The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).The company is in the middle layer under scale based regulation (SBR) for NBFC.

As an NBFC-NDSI, the Company is primarily in business of lending and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-ND-SI.

2. Basis of Preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

3. Presentation of Financial Statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in "Note 47-Maturity Analysis of assets and liabilities".

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

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

4. Material Accounting Policies Information

4.1 Recognition of Revenue:

4.1.1 Effective Interest Rate (EIR):

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

The EIR is calculated by considering 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 asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

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.

4.1.2 Interest Income:

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

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

4.1.3 Dividend Income:

The Company recognised Dividend income when the Company's right to receive the payment has been 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.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

4.1.4 Revenue from contracts with customers:

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered between the Company and the counterparty.

4.2 Financial Instruments:

4.2.1 Date of Recognition:

Financial Assets and liabilities with exception of debt securities and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

4.2.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.2.3 Day 1 Profit and Loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.2.4 Classification & 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:

Financial Assets Carried at Amortised Cost (AC)

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in Profit and Loss account.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI 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. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

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. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and Loss Account.

4.3 Financial Assets and Liabilities:

4.3.1 Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

4.3.2 Financial Assets Held for Trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

Financial asset measured at FVOCI-Loans

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to Profit and Loss statement. Interest income on such instrument is recognised in Profit and Loss statements using EIR method.

4.3.3 Investment in Equity Instruments:

The Company subsequently measures all equity investments at fair value through Profit or Loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial Liabilities:

All financial liabilities are measured at Amortised Cost except loan commitments, financial guarantees, and derivative financial liabilities.

4.3.5 Derivative Financial Instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Profit or Loss.

4.3.6 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised Cost at each reporting date. Amortised Cost is calculated by taking into account any discount or premium on issue of funds, and costs that are an integral part of the EIR.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of Profit and Loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

4.3.7 Financial Assets and Financial Liabilities at Fair Value through Profit or Loss:

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in Profit and Loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own Credit Reserve through OCI and do not get recycled to the Profit or Loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

4.3.8 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

4.3.9 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

4.3.10 Financial Liabilities and Equity Instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4.4 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. If the Company reclassifies financial assets. it applies the reclassilication prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4.5 Derecognition of Financial Instruments:

4.5.1 Derecognition of Financial Asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.5.2 Derecognition of financial liabilities

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, including modified contractual cash flow recognised as new financial liability, is recognised statement of Profit and Loss.

4.6 Impairment of Financial Assets:

The Company records provisions based on expected credit loss model (“ECL”) on all loans, other debt financial assets measured at Amortised Cost together with undrawn loan commitment, in this section all referred to as “Financial instrument”. Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General Approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

Stage 1 Assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 Assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition for these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 Assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facility with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

4.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

4.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

4.9 Write-offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical /policy write off as per relevant policy.

4.10 Forborne and Modified Loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset and Company continues to monitor until it is collected or written-off.

4.11 Determination of Fair Value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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.

Level 3 Financial Instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

4.12 Leases:

Company as a Lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets:

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

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short Term Lease

The Company has elected not to recognise right of use asset and lease liabilities for short-term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Company as Lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

4.13 Earnings per Share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

4.14 Foreign Currency Transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.15 Retirement and Other Employee Benefit:

4.15.1 Provident Fund and National Pension Scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of Profit and Loss.

4.15.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

4.15.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of Profit and Loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the Projected Unit Credit Method.

4.15.4 Deferred Bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time The measurement for the same has been based on actuarial assumptions and principles.

4.15.5 Share-based Payment Arrangements:

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share-based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

4.16 Property, plant and equipment:

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the reporting period, in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Equipment	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Subsequent measurement of land and building under revaluation model.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

4.17 Intangible Assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangibles such as software are amortised over a period of 3 - 5 years based on it's estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

4.18 Impairment of Non-Financial Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

4.19 Provisions and Other Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, 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. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

4.20 Income Tax Expenses:

4.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.20.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

4.20.3 Current and Deferred Tax for the Year:

Current and deferred tax are recognised in Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.21 Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

5. Significant Accounting Judgements, Estimates and Assumptions:

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

5.1 Business Model Assessment:

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's 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 is 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 that are derecognised prior to their maturity to understand the quantum, 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.

5.2 Significant Increase in Credit Risk:

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the 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.

5.3 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. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

5.5 Impairment of Financial Assets:

The measurement of impairment losses across all categories of financial assets requires judgement 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 ECL calculations are outputs of 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:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- 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 and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

5.6 Investment Property

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. At the end of each accounting year, the Company reviews the carrying amounts of its investment property to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists investment property are tested for impairment so as to determine the impairment loss, if any.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6. Recent Accounting Pronouncements:

The Ministry of Corporate Affairs (MCA) vide notifications dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 which amended certain Indian Accounting Standards (see below), and are effective for accounting periods beginning on or after April 01, 2025:

i) Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

ii) Ind AS 101 – First-time Adoption of Indian Accounting Standards

iii) Ind AS 1 – Presentation of Financial Statements

iv) Ind AS 7 – Statement of Cash Flows

v) Ind AS 107 – Financial Instruments: Disclosures

vi) Ind AS 12 – Income Taxes

The above amendments do not have any material impact on the amounts recognised in prior periods and the current financial year.

7. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US$ 25 crores, amounting to approximately ₹ 1,800 crores into the Company, the Investor has subscribed to 1000 Equity shares of ₹ 1/- each at premium of ₹ 31/- per Equity Share and 10,39,49,680 Compulsorily Convertible Debentures (CCDs) at ₹ 100 per CCD and accordingly paid the Company a total sum of ₹ 1,039.5 crores on May 7, 2019, towards first tranche. During the financial year 2024-25 such CCD's were due for conversion and accordingly 56,18,90,162 equity shares with a face value of ₹ 1 each were issued on conversion to Ecap Equities Limited.

8. Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT) under Sections 230–232 of the Companies Act, 2013, Edelweiss Retail Finance Limited ("ERFL"), a company under common group control, was amalgamated with the ECL Finance Limited ("ECL Finance Limited) with effect from appointment Date i.e. October 1, 2024. The scheme became effective upon filing of the certified order of NCLT with the Registrar of Companies on September 30, 2025. (Refer Note 44A)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

9. Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	407.17	817.46
	407.17	**817.46**

10. Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Fixed deposit with banks	3.22	–
Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation etc. (Refer Note 10.A Below)	37.16	39.53
	40.38	**39.53**

Notes:

1) Fixed deposit balances with banks earns interest at fixed rate.

10. A Encumbrances on fixed deposits held by the Company:

	As at March 31, 2026	As at March 31, 2025
Fixed deposits pledged for:		
Security deposit for term loan and WCDL facilities		
Union Bank of India	–	0.70
IDBI Bank Limited	–	2.86
State Bank of India	16.60	15.83
Canara Bank	–	0.15
Bank guarantee for securitisation		
ICICI Bank Limited	–	–
Central Bank of India	6.58	6.15
Security deposit for meeting margin requirement for trading in cross currency swaps and forward margin		
State Bank of India	13.98	13.84
	37.16	**39.53**

11. Derivative financial instruments

	As at March 31, 2026	As at March 31, 2025
Fair Value Assets		
On Interest rate dervatives	31.93	0.98
On Equity and Index linked derivatives	0.02	–
Total	**31.95**	**0.98**
Fair Value Liabilities		
On Interest rate dervatives	25.77	4.32
	25.77	**4.32**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts/Units held

Particular	As at March 31, 2026							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	2,319.14	31.93	Rupees	INR	2,142.22	25.77
Interest rate futures	G-Sec Units		3,70,34,000.00	3.40	G-Sec Units		–	–
Less: amounts offset (Refer Note11.A & 50)				(3.40)				–
Subtotal(i)				**31.93**				**25.77**
(ii) Equity linked derivatives								
Stock futures	No of Shares		–	–	No of Shares		–	–
Options	Units		–	–	Units		–	–
Less: amounts offset (Refer Note11.A & 50)				–				–
Subtotal(ii)				**–**				**–**
(iii) Index linked derivatives								
Index futures	Index Units		–	–				
Options	Index Units		200.00	0.02	Index Units		–	–
Less: amounts offset (Refer Note11.A & 50)				–				–
Subtotal(iii)				**0.02**				**–**
Total derivative financial instruments			**Total**	**31.95**			**Total**	**25.77**

Particular	As at March 31, 2025							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	525.00	0.98	Rupees	INR	1,175.00	4.32
Interest rate future					G-Sec Units		3,08,26,000.00	1.07
Less: amounts offset (Refer Note11.A & 50)								(1.07)
Subtotal(i)				**0.98**				**4.32**
(ii) Equity linked derivatives								
Stock futures	No of Shares		59,000	0.01	No of Shares		2,500	0.00
Options	Units		–	–	Units		–	–
Less: amounts offset (Refer Note11.A & 50)				(0.01)				(0.00)
Subtotal(ii)				**–**				**–**
(iii) Index linked derivatives								
Index futures	Index Units		–	–				
Options purchased	Index Units		–	–	Index Units		–	–
Less: amounts offset (Refer Note11.A & 50)				–				–
Subtotal(iii)				**–**				**–**
Total derivative financial instruments				**0.98**				**4.32**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 51.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments

11. A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2026	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals Paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	35.35	(3.40)	31.95	(25.77)	13.98	20.15	–	31.95	20.16
Margin placed with broker*	215.30	–	215.30	–	–	215.30	–	215.30	215.30

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2026	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	25.77	–	25.77	(25.77)	–	–	–	25.77	–
Margin payable	5.75	–	5.75	–	–	5.75	–	5.75	5.75

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2025	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals Paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	0.98	(0.01)	0.97	(4.32)	13.84	10.49	–	0.98	10.50
Margin placed with broker*	4.95	(0.35)	4.60	–	–	4.60	–	4.60	4.60

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2025	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	5.38	(1.07)	4.32	(4.32)	–	0.00	–	4.32	–
Margin payable	0.71	–	0.71	–	–	0.71	–	0.71	0.71

*As on the reporting date, margin placed with broker net off with net liability towards mark to market loss on derivatives future contracts and similarly, net mark to market gain are added to margin placed with broker. Accordingly the same are presented in the financial statement.

12. Trade receivables

a) Trade receivables

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (unless stated otherwise)		
(i) Undisputed Trade receivables	21.49	38.33
(ii) Undisputed Trade Receivables – credit impaired	–	–
Allowance for expected credit losses		
Receivables considered good - Unsecured	(0.02)	(0.01)
	21.47	**38.32**

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	0.01	(0.03)
Add/ (less): asset originated / acquired / recovered (net)	0.01	0.02
Impairment allowance - closing balance	0.02	0.01

Notes:

1) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person
2) Please refer note 48. - Related party disclosure for trade or other receivables due from firms or private companies in which directors is/are partner, a director or a member.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

c) **Trade receivables days past due**

As at March 31, 2026	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good - Secured	–	–	–	–	–	–
(ii) Undisputed Trade receivables – considered good - Unsecured	21.49	0.00	–	–	–	21.49
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iv) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
(v) Disputed Trade Receivables–considered good - Secured	–	–	–	–	–	–
(vi) Disputed Trade Receivables–considered good - Unsecured	–	–	–	–	–	–
(vii) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(viii) Disputed Trade Receivables – credit impaired	–	–	–	–	–	
ECL - simplified approach	(0.02)	–	–	–	–	(0.02)
Net carrying amount	**21.47**	**0.00**	**–**	**–**	**–**	**21.47**

As at March 31, 2025	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good - Secured	–	–	–	–	–	–
(ii) Undisputed Trade receivables – considered good - Unsecured	38.33	–	–	–	–	38.33
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iv) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
(v) Disputed Trade Receivables–considered good - Secured	–	–	–	–	–	–
(vi) Disputed Trade Receivables–considered good - Unsecured	–	–	–	–	–	–
(vii) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(viii) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
ECL - simplified approach	(0.01)	–	–	–	–	(0.01)
Net carrying amount	**38.32**	**–**	**–**	**–**	**–**	**38.32**

Unbilled amount due as of March 2026 is Nill (March 2025- NIL).

13. Loans

	As at March 31, 2026	As at March 31, 2025
(I) (A) at Amortised Cost		
– Term Loans;		
Corporate credit (Refer Note 2)	100.84	–
Retail credit	1,345.27	838.32
(B) at fair value through other comprehensive income		
– Term Loans;		
Corporate credit	322.43	424.97
Total gross (C)= (A) + (B)	**1,768.55**	**1,263.29**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

				As at March 31, 2026	As at March 31, 2025
	Less: Impairment loss allowance (D)				
	–	At Amortised Cost		(37.82)	(37.12)
	–	At fair value through other comprehensive income(Refer Note 13.A)		(7.66)	(14.52)
	Total net (E)= (C)-(D)			**1,723.06**	**1,211.65**
(II)	**(i)**	**at Amortised Cost**			
		Secured by tangible assets (property including land & building)		1,101.38	682.68
		Secured by intangible assets (fixed deposits, unlisted securities, project receivables & other marketable securities)		–	21.63
		Unsecured		344.74	251.51
	(ii)	**at fair value through other comprehensive income**			
		Secured by tangible assets (property including land & building)		322.43	265.52
		Secured by intangible assets (fixed deposits, unlisted securities, project receivables & other marketable securities)		–	41.95
		Unsecured		–	–
	Total gross			**1,768.55**	**1,263.29**
	Less: Impairment loss allowance				
	–	At Amortised Cost		(37.82)	(37.12)
	–	At fair value through other comprehensive income (Refer Note 13.A)		(7.66)	(14.52)
	Total net			**1,723.06**	**1,211.65**
(III)	**(1)**	**Loans in India**			
		(i)	**at Amortised Cost**		
			Public sector	–	–
			Others	1,446.11	838.32
		(ii)	**at fair value through other comprehensive income**		
			Loans in India		
			Public sector		
			Others	322.43	424.97
		Total gross		**1,768.55**	**1,263.29**
		Less: Impairment loss allowance			
		–	At Amortised Cost	(37.82)	(37.12)
		–	At fair value through other comprehensive income (Refer Note 13.A)	(7.66)	(14.52)
	(2)	**Loans outside India**		–	–
	Total net			**1,723.06**	**1,211.65**

Note

1) The Company has not granted any loans or advances in the nature of loans to promoters, directors or key managerial personnel, either severally or jointly with any other person.

2) Loans and advances in the nature of loans granted to group company amount to ₹100.84 crores As at 31 March 2026 (31 March 2025: ₹ Nil) None of these loans are repayable on demand or without specifying any terms or period of repayment.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

13. A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 51.D.1 and policies on ECL allowances are set out in Note 4.6

a Credit quality of assets

	As at March 31, 2026				As at March 31, 2025			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	1,656.82			1,656.82	1,037.66	–	–	1,037.66
Standard grade		72.83		72.83	–	191.16	–	191.16
Non-performing								
Individually impaired*			38.90	38.90	–	–	34.47	34.47
	1,656.82	**72.83**	**38.90**	**1,768.55**	**1,037.66**	**191.16**	**34.47**	**1,263.29**

*Total numbers of borrowers as on 31st March 2026 are 121 (previous year 138)

b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions i.e. new lending, further disbursements, repayments and interest accrual on loans.

Reconciliation / movement for the year ended March 31, 2026

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	1,037.66	16.79	191.16	20.34	34.47	14.50	1,263.29	51.63
Transfer of financial assets								
Stage I to Stage II	(21.10)	(1.31)	21.10	1.31	–	–	–	–
Stage I to Stage III	(54.39)	(2.55)	–	–	54.39	2.55	–	–
Stage II to Stage III	–	–	(10.50)	(3.53)	10.50	3.53	–	–
Stage II to Stage I	9.73	1.36	(9.73)	(1.36)	–	–	–	–
Stage III to Stage I	0.31	0.07	–	–	(0.31)	(0.07)	–	–
Stage III to Stage II	–	–	0.30	0.06	(0.30)	(0.06)	–	–
New assets originated / repayments received (net)	684.61	3.44	(108.59)	(6.02)	(34.18)	(2.76)	541.84	(5.34)
Loans sold to ARC/AIF/Others	–	–	(10.91)	(0.81)	–	–	(10.91)	(0.81)
Amounts written off (net)	–	–	–	–	(25.67)	–	(25.67)	–
Closing balance	**1,656.82**	**17.80**	**72.83**	**9.99**	**38.90**	**17.69**	**1,768.55**	**45.48**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Reconciliation / movement for the year Ended March 31, 2025

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	1,705.59	17.73	302.55	35.99	50.33	21.03	2,058.47	74.75
Transfer of financial assets:	–	–						
Stage I to Stage II	(27.79)	(1.53)	27.79	1.53	–	–	–	–
Stage I to Stage III	(40.99)	(2.03)	–	–	40.99	2.03	–	–
Stage II to Stage III	–	–	(14.05)	(2.32)	14.05	2.32	–	–
Stage II to Stage I	29.06	4.87	(29.06)	(4.87)	–	–	–	–
Stage III to Stage I	0.19	0.02	–	–	(0.19)	(0.02)	–	–
Stage III to Stage II	0.04	0.02	0.59	0.25	(0.63)	(0.27)	–	–
New assets originated / repayments received (net)	(628.44)	(2.27)	(96.66)	(10.26)	(44.66)	(10.59)	(769.76)	(23.11)
Loans sold to ARC/AIF/Others	–	–	–	–	–	–	–	–
Amounts written off (net)	–	–	–	–	(25.42)	–	(25.42)	–
Closing balance	**1,037.66**	**16.81**	**191.16**	**20.33**	**34.47**	**14.50**	**1,263.29**	**51.64**

14. Investments

As at March 31, 2026	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Mutual Funds	–	–	34.31	–	34.31	–	34.31
Government Debt Securities	–	–	1,792.58	–	1,792.58	–	1,792.58
Corporate Bonds	–	–	369.46	–	369.46		369.46
Security receipts	–	1,500.27	–	–	1,500.27	–	1,500.27
Pass through certificates	–	–	28.08	–	28.08	–	28.08
TOTAL - gross (A)	**–**	**1,500.27**	**2,224.43**	**–**	**3,724.70**	**–**	**3,724.70**
(i) Investments outside India	–	–	–	–	–	–	–
(ii) Investment in India	–	1,500.27	2,224.43		3,724.70	–	3,724.70
Total (B)	**–**	**1,500.27**	**2,224.43**	**–**	**3,724.70**	**–**	**3,724.70**
Less: allowance for impairment (C)		–	–	–	–	–	–
Total net (A-C)	**–**	**1,500.27**	**2,224.43**	**–**	**3,724.70**	**–**	**3,724.70**

Notes:

For Current year

1) Please refer note 14.A - Investment details
2) Please refer note 50 - Fair value measurement for valuation methodology
3) In order to reflect substance of the transaction, the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2025	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Mutual Funds	–	–	–	–	–	–	–
Government Debt Securities	–	–	2,762.45	–	2,762.45		2,762.45
Corporate Bonds			376.73	–	376.73	–	376.73
Security receipts	–	2,277.96	–	–	2,277.96	–	2,277.96
Pass through certificates	–	–	28.08	–	28.08	–	28.08
"Alternative Investment Fund / Venture Capital Fund"	–	–	196.19	–	196.19	–	196.19
Equity Shares	–	–	19.59	–	19.59	–	19.59
TOTAL - gross (A)	**–**	**2,277.96**	**3,383.04**	**–**	**5,661.00**	**–**	**5,661.00**
(i) Investments outside India	–	–	–	–	–	–	–
(ii) Investment in India	–	2,277.96	3,383.04	–	5,661.00	–	5,661.00
Total (B)	**–**	**2,277.96**	**3,383.04**	**–**	**5,661.00**	**–**	**5,661.00**
Less: allowance for impairment (C)	–	–	–	–	–	–	–
Total Net (A-C)	**–**	**2,277.96**	**3,383.04**	**–**	**5,661.00**	**–**	**5,661.00**

Notes:

For previous year

1) Please refer note 14.A - Investment details
2) Please refer note 50 - Fair value measurement for valuation methodology
3) In order to reflect substance of the transaction, the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities.

14. A Investments

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Central Government Debt Securities						
At fair value through profit and loss account						
5.63% Government Stock 2026	–	–	–	100	70,00,000	71.32
7.10% Government Stock 2029	100	1,05,00,000	109.92	100	5,00,000	5.26
7.38% Government Stock 2027	100	55,00,000	57.13	100	70,00,000	72.81
7.26% Government Stock 2032	100	15,00,000	15.27	100	10,00,000	10.46
7.26% Government Stock 2033	100	15,00,000	15.29	100	75,00,000	78.83
7.06% Government Stock 2028	–	–	–	100	1,60,00,000	168.05
6.99% Government Stock 2026	–	–	–	100	55,00,000	57.05
7.18% Government Stock 2033	100	95,00,000	96.38	100	35,00,000	36.61
7.37% Government Stock 2028	–	–	–	100	1,35,00,000	143.32
7.33% Government Stock 2026	–	–	–	100	5,00,000	5.22
7.32% Government Stock 2030	100	15,00,000	15.66	100	70,00,000	74.64
8.24% Government Stock 2027	–	–	–	100	10,00,000	10.41
6.79% Government Stock 2031	–	–	–	100	20,00,000	20.65

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
6.92% Government Stock 2039	–	–	–	100	5,00,000	5.24
7.1% Government Stock 2034	100	15,00,000	15.58	100	1,25,00,000	133.35
6.79% Government Stock 2034	–	–	–	100	35,00,000	36.15
7.02% Government Stock 2031	100	25,00,000	25.62	100	25,00,000	26.15
7.04% Government Stock 2029	–	–	–	100	1,55,00,000	161.84
8.28% Government Stock 2027	–	–	–	100	5,00,000	5.22
7.59% Government Stock 2029	–	–	–	100	50,00,000	52.05
7.17% Government Stock 2028	–	–	–	100	5,00,000	5.17
6.1% Government Stock 2031	–	–	–	100	40,00,000	39.68
6.75% Government Stock 2029	–	–	–	100	3,45,00,000	355.41
6.79% Government Stock 2034	100	30,00,000	30.53	100	75,00,000	78.55
7.88% Government Stock 2030	–	–	–	100	5,00,000	5.29
8.26% Government Stock 2027	–	–	–	100	5,00,000	5.26
7.17% Government Stock 2030	–	–	–	100	1,00,00,000	106.17
6.79% Government Stock 2029	–	–	–	100	15,00,000	15.44
6.79% Government Stock 2027	100	5,00,000	5.18	100	5,00,000	5.16
Government of India – 364 Days Treasury Bill – 11 September 2025	–	–	–	100	1,50,00,000	147.82
Government of India – 364 Days Treasury Bill – 11 September 2025	–	–	–	100	35,00,000	34.03
GOVERNMENT OF INDIA – 364 Days Treasury Bill – 26 November 2026	100	1,10,00,000	106.18	–	–	–
India, Bonds 6.48% 06-Oct-2035	100	1,05,00,000	104.42	–	–	–
India, Bonds 6.68% 07-Jul-2040	100	25,00,000	23.73	–	–	–
Government of India 6.03% 27-Jan-2029	100	10,76,000	10.77	–	–	–
Government of India 182-day T-Bill, maturity 24-Apr-2026	100	95,00,000	94.71	–	–	–
Government of India 5.79% 10-May-2030	100	10,00,000	9.88	–	–	–
Government of India 7.34% 21-Apr-2064	100	5,00,000	4.91	–	–	–
Government of India 364-day T-Bill, maturity 16-Apr-2026	100	65,00,000	64.87	–	–	–
Government of India 91-day T-Bill, maturity 30-Apr-2026	100	25,00,000	24.90	–	–	–
State Government Debt Securities						
At fair value through profit and loss account						
7.18% Tamil Nadu State Development Loan 2027	–	–	–	100	5,00,000	5.11
7.23% Andhra Pradesh State Development Loan 2026	–	–	–	100	5,00,000	5.19
7.08% Tamil Nadu State Development Loan 2030	–	–	–	100	18,91,900	19.19
7.13% Tamil Nadu State Development Loan 2030	–	–	–	100	80,00,000	81.00
7.18% Maharashtra State Development Loan 2029	–	–	–	100	25,00,000	25.74
8.28% Tamil Nadu State Development Loan 2028	–	–	–	100	5,00,000	5.25
6.58% Karnataka State Development Loan 2030	100	3,71,700	3.68	100	3,71,700	3.75
8.71% Uttar Pradesh State Development Loan 2028	–	–	–	100	5,00,000	5.50
7.23% Tamil Nadu State Development Loan 2027	–	–	–	100	20,00,000	20.63

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
6.98% Maharashtra State Development Loan 2028	–	–	–	100	20,63,700	20.90
7.03% Tamil Nadu State Development Loan 2029	–	–	–	100	10,00,000	10.12
7.18% Maharashtra State Development Loan2030	100	10,00,000	10.24	100	15,00,000	15.74
7.39% Andhra Pradesh State Development Loan 2029	–	–	–	100	15,00,000	15.46
7.45% Rajasthan State Development Loan 2030	–	–	–	100	10,00,000	10.25
8.06% Karnataka State Development Loan 2029	–	–	–	100	5,00,000	5.22
8.08% Karnataka State Development Loan 2028	100	5,00,000	5.21	100	30,00,000	31.91
7.64% West Bengal State Development Loan 2027	–	–	–	100	35,00,000	35.59
8.28% Rajasthan State Development Loan 2028	–	–	–	100	20,00,000	20.88
7.29% Andhra Pradesh State Development Loan 2030	–	–	–	100	20,00,000	20.64
7.46% Madhya Pradesh State Development Loan 2027	–	–	–	100	1,05,00,000	106.90
7.69% Madhya Pradesh State Development Loan 2026	–	–	–	100	25,00,000	25.30
7.6% Andhra Pradesh State Development Loan 2029	–	–	–	100	15,00,000	15.97
7.21% West Bengal State Development Loan 2027	–	–	–	100	10,00,000	10.21
8.35% Gujarat State Development Loan 2029	–	–	–	100	35,00,000	37.01
8.05% Gujarat State Development Loan 2029	–	–	–	100	10,00,000	10.43
8.09% West Bengal State Development Loan 2028	–	–	–	100	10,00,000	10.47
6.97% Maharashtra State Development Loan 2028	–	–	–	100	45,00,000	45.62
7.12% Karnataka State Development Loan 2036	–	–	–	100	5,00,000	5.18
8.18% Haryana State Development Loan 2026	–	–	–	100	35,00,000	36.41
8.19% Rajasthan State Development Loan 2026	–	–	–	100	20,00,000	20.78
8.38% Gujarat State Development Loan 2029	–	–	–	100	20,00,000	21.22
7.06% Tamil Nadu State Development Loan 2029	–	–	–	100	25,00,000	25.38
7% Tamil Nadu State Development Loan 2029	–	–	–	100	50,00,000	50.57
7.73% Maharashtra State Development Loan 2032	–	–	–	100	5,00,000	5.22
8.39% Rajasthan State Development Loan 2026	–	–	–	100	5,00,000	5.10
7.93% Uttar Pradesh State Development Loan 2030	100	30,00,000	30.50	–	–	–
8.42% Maharashtra State Development Loan 2028	100	20,00,000	20.77	–	–	–
7.73% Gujarat State Development Loan 2029	100	5,00,000	5.24	–	–	–
8.28% Rajasthan State Development Loan 2028	100	13,00,000	13.37	–	–	–
7.09% Uttar Pradesh State Development Loan 2030	100	5,00,000	4.98	–	–	–
8.29% Haryana State Development Loan 2028	100	10,00,000	10.23	–	–	–
8.43% Tamil Nadu State Development Loan 2028	100	15,00,000	15.40	–	–	–
6.01% Government Security 2030	100	5,00,000	4.92	–	–	–
8.47% Gujarat State Development Loan 2028	100	10,00,000	10.36	–	–	–
7.17% Karnataka State Development Loan 2027	100	3,00,000	3.12	–	–	–
7.09% Rajasthan State Development Loan 2029	100	15,00,000	15.07	–	–	–
7.26% Gujarat State Development Loan 2029	100	10,00,000	10.20	–	–	–
7.69% Karnataka State Development Loan 2027	100	5,00,000	5.19	–	–	–
8.60% Gujarat State Development Loan 2028	100	10,00,000	10.71	–	–	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
6.55% Maharashtra State Development Loan 2028	100	15,00,000	15.23	–	–	–
7.15% Karnataka State Development Loan 2028	100	15,00,000	15.49	–	–	–
7.19% Uttar Pradesh State Development Loan 2031	100	10,00,000	9.92	–	–	–
8.40% Rajasthan State Development Loan 2028	100	5,00,000	5.25	–	–	–
6.47% Karnataka State Development Loan 2030	100	10,00,000	9.86	–	–	–
6.96% Tamil Nadu State Development Loan 2028	100	25,00,000	25.41	–	–	–
7.11% Maharashtra State Development Loan 2029	100	10,00,000	10.28	–	–	–
7.65% Madhya Pradesh State Development Loan 2027	100	10,00,000	10.47	–	–	–
8.84% Rajasthan State Development Loan 2028	100	5,00,000	5.20	–	–	–
7.03% Madhya Pradesh State Development Loan 2031	100	2,00,000	1.98	–	–	–
7.92% Uttar Pradesh State Development Loan 2028	100	10,00,000	10.26	–	–	–
7.59% Uttar Pradesh State Development Loan 2027	100	15,00,000	15.71	–	–	–
7.49% Gujarat State Development Loan 2028	100	1,00,00,000	100.55	–	–	–
8.09% West Bengal State Development Loan 2028 (27 March)	100	46,00,000	46.77	–	–	–
6.24% Maharashtra State Development Loan 2028	100	20,00,000	19.83	–	–	–
7.36% Maharashtra State Development Loan 2028	100	45,00,000	46.65	–	–	–
7.88% Madhya Pradesh State Development Loan 2028	100	10,00,000	10.25	–	–	–
8.64% Uttar Pradesh UDAY Bond 2028	100	40,00,000	41.05	–	–	–
8.08% Tamil Nadu State Development Loan 2028	100	85,00,000	88.54	–	–	–
7.18% Gujarat State Development Loan 2028	100	30,00,000	30.65	–	–	–
8.05% Madhya Pradesh State Development Loan 2028	100	20,00,000	20.49	–	–	–
6.99% Karnataka State Development Loan 2028	100	5,00,000	4.99	–	–	–
7.23% Karnataka State Development Loan 2028	100	20,00,000	20.58	–	–	–
8.56% Andhra Pradesh State Development Loan 2028	100	15,00,000	15.70	–	–	–
8.17% Karnataka State Development Loan 2029	100	25,00,000	25.94	–	–	–
8.05% Tamil Nadu State Development Loan 2028	100	20,00,000	20.49	–	–	–
8.05% Gujarat State Development Loan 2028	100	20,00,000	20.56	–	–	–
8.52% Andhra Pradesh State Development Loan 2028	100	15,00,000	15.56	–	–	–
7.62% Gujarat State Development Loan 2028	100	90,00,000	94.05	–	–	–
6.70% Maharashtra State Development Loan 2028	100	25,00,000	24.75	–	–	–
Total Government Debt Securities (A)			**1,792.58**			**2,762.45**
Debt Securities						
At fair value through profit and loss account						
11.00% Edelweiss Finvest Private Limited 29.07.2025 Bonds	–	–	–	10,00,000	56	6.06
10.18% Edel Finance Company Limited 27.04.2027 Bonds	10,00,000	1,501	164.15	10,00,000	1,501	165.06
9.35% Series Vi Edelweiss Financial Services Limited_20 Ot 27	1,000	1,291	0.13	1,000	1,291	0.12
9.67% Series Vi Edelweiss Financial Services Limited_20 Jan 28	1,000	1,346	0.14	1,000	1,346	0.13

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
8.95% Series I Edelweiss Financial Services Limited_29 Jan 26	–	–	–	1,000	50	–
10.00 % Edel Finance Co Limited 17-Dec-2027	1,00,000	19,500	204.85	1,00,000	19,500	205.16
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000	1,798	0.19	1,000	1,798	0.20
Total Debt Securities (B)			**369.46**			**376.73**
Total (A+B)			**2,162.04**			**3,139.18**
Security receipts						
At fair value through other comprehensive income - Equity Instrument						
EARC Trust SC 9	1	71,487	–	1	71,487	–
EARC Trust SC 229	1,000	2,55,000	–	1,000	2,55,000	–
EARC Trust SC 361	–	–	–	14	2,40,000	–
EARC Trust SC 326	1	529	–	1	529	–
EARC Trust SC 372	1	2,54,745	–	1	2,54,745	–
EARC Trust SC 393	675	3,18,750	3.23	1,000	3,18,750	15.94
ACRE ARC Trust - 100	334	1,53,00,000	189.11	355	1,53,00,000	271.24
EARC Trust SC 413_Class B	244	2,36,415	2.89	579	2,36,415	6.84
OMKARA PS08 - 2021-22 Trust	1,000	32,861	1.64	1,000	32,861	1.64
CFMARC Trust 83	1,000	6,56,183	–	1,000	6,56,183	–
EARC Trust SC - 444_Class B	1,000	85,150	1.28	1,000	85,150	2.13
CFMARC Trust - 93	–	–	–	1,000	6,38,384	37.66
EARC Trust SC 462 CLASS B	1,000	10,71,000	–	1,000	10,71,000	–
INVENT 2223 ECL S130 Trust	–	–	–	1,000	3,06,000	18.05
EARC Trust SC 298_Class B	1,000	23,12,000	–	1,000	23,12,000	–
EARC SC - 453 CLASS B	1,000	1,41,70,900	708.55	1,000	1,41,70,900	708.55
PARAS-140 Trust	–	–	–	1,000	13,17,500	77.72
CFMARC Trust - 127	1,000	1,43,157	7.16	1,000	1,73,808	8.69
EARC Trust SC - 455 CLASS B	–	–	–	1,000	17,25,500	101.79
EARC Trust-SC 452 CLASS B	1,000	73,34,700	412.65	1,000	73,34,700	432.67
CFM 129	–	–	–	1,000	13,19,625	65.98
EARC Trust SC 470 Class B	765	12,75,500	48.76	1,000	12,75,500	63.78
EARC Trust SC - 384 CLASS B	584	34,22,100	99.93	828	34,22,100	141.67
EARC Trust SC 374	268	63,106	0.34	295	63,106	0.93
EARC Trust SC 378	1	22,780	–	1	22,780	–
EARC Trust SC 373	115	2,25,250	1.30	121	2,25,250	1.36
EARC Trust SC 385 Class B	492	1,79,783	4.42	598	1,79,783	5.37
EARC Trust SC 416 Class B	159	98,842	0.79	302	98,842	1.49
EARC Trust SC 417 Class B	415	2,37,851	4.93	627	2,37,851	7.46
Acre 135 trust Class B	997	56,200	2.80	1,000	56,200	2.81
Omkara PS 34 (Retail)	1,000	25,789	1.29	1,000	25,789	1.29

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	As at March 31, 2026			As at March 31, 2025		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
PARAS ARC Trust - 136	–	–	–	1,000	22,95,000	135.38
PARAS ARC Trust - 137	1,000	2,55,000	–	1,000	2,55,000	15.04
ACRE ARC Trust - 136	–	–	–	826	88,000	3.63
CFM ARC Trust - 116	1,000	43,987	2.20	1,000	43,987	2.20
EARC Trust SC - 331 CLASS B	–	–	–	1,000	2,83,655	1.42
EARC Trust SC - 329 CLASS B	–	–	–	978	2,05,920	1.01
EARC Trust SC - 486 CLASS B	–	–	–	548	16,42,446	46.85
OMKARA PS04 - 2020-21 Trust CLASS B	–	–	–	1,000	10,39,659	13.52
EARC Trust SC 464 - CLASS B	–	–	–	1,000	13,17,500	65.90
EARC TRUST SC - 394 CLASS B	–	–	–	847	4,24,125	17.95
Prudent Trust 150	100	8,92,500	7.00	–	–	–
Total (C)		**4,90,41,565**	**1,500.27**		**6,10,23,030.00**	**2,277.96**
Alternative Investment Fund / Venture Capital Fund						
At fair value through profit and loss						
Paragon Partners Growth Fund - I	–	–	–	100	3,32,598	7.47
Kae Capital Fund - II	–	–	–	1,00,000	62	37.05
Edelweiss Private Equity Tech Fund	–	–	–	1,00,000	2,398	33.04
Edelweiss Value And Growth Fund	–	–	–	1,00,000	5,330	93.36
Faering Capital India Evolving Fund II	–	–	–	1,000	39,992	11.23
LICHFL Housing & Infrastructure Fund	–	–	–	113	13,14,277	14.05
Total (D)		**–**	**–**		**16,94,657.13**	**196.19**
Equity Shares						
– (Unquoted)						
– At fair value through profit and loss						
Metropolitan Stock Exchange of India Ltd	–	–	–	1	3,70,20,000	19.59
Total (E)	**–**	**–**	**–**			**19.59**
Mutual Funds						
– (quoted)						
– At fair value through profit and loss						
SBI Overnight Fund - Direct Plan - Growth	1,000	78,291.67	34.29	–	–	–
Axis Liquid Fund – Regular Plan – Growth	1,000	63.24	0.02	–	–	–
Total (F)		**78,354.91**	**34.31**	**–**	**–**	**–**
Pass through certificates (PTC)						
At fair value through profit and loss						
RFT 6	1	28,08,23,478	28.08	1	28,08,23,478	28.08
Total (G)		**28,08,23,478**	**28.08**		**28,08,23,478**	**28.08**
Total (A+B+C+D+E+F+G)			**3,724.70**			**5,661.00**

Note: Please refer note 50 - Fair value measurement for valuation methodologies for investments

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

15. Other financial assets

	As at March 31, 2026	As at March 31, 2025
Security deposits	4.36	4.85
Deposits placed with exchange/depositories	9.47	15.47
Margin placed for trading in securities	215.30	4.40
Receivables from trust	12.52	16.68
Advances recoverable in cash	0.13	3.00
	241.78	**44.40**

16. Current tax assets (net)*

	As at March 31, 2026	As at March 31, 2025
Advance income taxes including TDS receivable	233.64	218.02
	233.64	**218.02**

17. Deferred tax assets (net)

	As at March 31, 2026	As at March 31, 2025
DEFERRED TAX ASSETS		
Loans		
Expected credit loss	10.63	10.25
Unamortised processing fees	3.08	1.07
Unused tax losses		
Unused tax losses - accumulated losses	504.67	500.06
Investments and other financial instruments		
Investments (FVTPL)	30.93	49.63
Investments (FVOCI)	46.04	50.83
Unrealised loss on Derivatives	6.49	–
Unrealised gain on Derivatives	–	2.30
Employee benefit obligations		
Provision for leave accumulation	0.24	0.23
Property, plant and equipment and intangibles		
Difference between book and tax depreciation	2.84	–
Others	0.24	0.26
	605.16	**614.62**
DEFERRED TAX LIABILITIES		
Loans		
Unamortised orgination cost	(4.32)	(1.52)
Investments and other financial instruments		
Unrealised gain on Derivatives	(8.04)	–
Unrealised loss on Derivatives	–	(1.63)
Property, plant and equipment and intangibles		
Difference between book and tax depreciation	–	(16.44)
Employee benefit obligations		
Disallowances under section 43B of the Income tax act, 1961	(0.73)	(0.84)
Borrowings		
Effective interest rate on financial liabilities	–	(5.08)
	(13.08)	**(25.51)**
	592.08	**589.10**

*(net of provision for tax ₹1,142.42 crores, previous year ₹1,143.36 crores including amount referred in Note 26)

Company has not created DTA on Security receipts lossess amountig to ₹352.24 crores March 2026 (₹323.41 crores March 2025 previous year)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

18. Investment Property

As at March 31, 2026

Particular	Gross Block				Depreciation and impairment					Net block	
	As at 01- April -2025	Additions during the year	Deductions / adjustments during the year	As at 31-March -2026	As at 01-April -2025	Impairment charge/ (reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March -2026	As at 31-March -2026	As at 31-March -2025
Building	7.91	–	(2.64)	5.27	3.51	(1.07)	0.33	(0.37)	2.41	2.86	4.40
Total	**7.91**	**–**	**(2.64)**	**5.27**	**3.51**	**(1.07)**	**0.33**	**(0.37)**	**2.41**	**2.86**	**4.40**

During the year, The company has sold investment property i.e. Building for an amount of ₹ 1.81 crores and booked loss of ₹0.46 crores.

The aforementioned carrying value of investment property is equivalent to fair value. Valuation has been done by independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.

As at March 31, 2025

Particular	Gross Block				Depreciation and impairment					Net block	
	As at 01- April -2024	Additions during the year	Deductions / adjustments during the year	As at 31-March -2025	As at 01-April -2024	Impairment charge/ (reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March -2025	As at 31-March -2025	As at 31-March -2024
Building	13.26	55.13	(60.48)	7.91	0.72	2.71	1.73	(1.65)	3.51	4.40	12.55
Total	**13.26**	**55.13**	**(60.48)**	**7.91**	**0.72**	**2.71**	**1.73**	**(1.65)**	**3.51**	**4.40**	**12.55**

The Company has entered into debt assets swap, wherein the net carrying amount of the investment properties stood at ₹2.86 crores As at March 31, 2026 (₹4.40 crores As at March 31, 2025 previous year), the properties taken over by the company are of residential properties located in metro city.

During the year, The company has sold investment property i.e. Building for an amount of ₹ 48.84 crores and booked loss of ₹10.00 crores.

The aforementioned carrying value of investment property is equivalent to fair value. Valuation has been done by independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

19. Property, plant and equipment

Particulars	Property, plant and equipment								Other Intangible Assets		Right to Use Assets		Total
	Building	Land	Leasehold improve-ments	Furniture and Fixtures	Vehicles	Office equip-ment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	
At cost													
As at April 1, 2024*	**70.03**	**0.04**	**0.90**	**3.57**	**0.43**	**2.80**	**6.16**	**83.93**	**25.04**	**25.04**	**51.88**	**51.88**	**160.86**
Additions	–	–	–	–	–	0.04	0.04	0.07	0.14	0.14	1.17	1.17	1.39
Disposals	–	–	(0.66)	(0.20)	–	(1.41)	(2.79)	(5.06)	(12.33)	(12.33)	(0.53)	(0.53)	(17.91)
Other Adjustment	–	–	–	–	–	0.10	0.52	0.62	2.17	2.17	–	–	2.79
As at March 31, 2025*	**70.03**	**0.04**	**0.24**	**3.37**	**0.43**	**1.53**	**3.93**	**79.57**	**15.03**	**15.03**	**52.52**	**52.52**	**147.13**
Additions	–	–	0.78	0.38	–	1.29	1.93	4.37	3.19	3.19	6.18	6.18	13.74
Disposals	(69.55)	–	–	(0.00)	–	(0.74)	(0.18)	(70.48)	–	–	(3.61)	(3.61)	(74.08)
Other Adjustment	0.07	–	(0.01)	0.01	(0.00)	0.03	(0.09)	0.02	0.09	0.09	–	–	0.11
As at March 31, 2026	**0.55**	**0.04**	**1.01**	**3.75**	**0.43**	**2.11**	**5.59**	**13.48**	**18.32**	**18.32**	**55.10**	**55.10**	**86.89**
Depreciation and Impairment:													
As at April 1, 2024	**15.50**	**–**	**0.81**	**2.83**	**0.39**	**2.53**	**5.75**	**27.82**	**12.77**	**12.77**	**34.31**	**34.31**	**74.89**
Depreciation/ Amortisation for the year	3.07	–	0.02	0.18	0.01	0.07	0.08	3.43	8.56	8.56	4.14	4.14	16.13
Disposals	–	–	(0.65)	(0.16)	–	(1.32)	(2.64)	(4.78)	(12.33)	(12.33)	–	–	(17.10)
Other Adjustment	–	–	–	–	–	0.10	0.52	0.62	2.17	2.17	–	–	2.79
As at March 31, 2025	**18.57**	**–**	**0.18**	**2.85**	**0.40**	**1.39**	**3.71**	**27.09**	**11.18**	**11.18**	**38.44**	**38.44**	**76.71**
Depreciation/ Amortisation for the year	2.18	–	0.04	0.15	0.01	0.21	0.18	2.76	2.16	2.16	3.84	3.84	8.77
Disposals	(20.57)	–	–	(0.00)	–	(0.19)	(0.18)	(20.94)	–	–	–	–	(20.94)
Other Adjustment	0.07	–	(0.00)	0.01	0.00	0.04	(0.09)	0.03	0.09	0.09	–	–	0.12
As at March 31, 2026	**0.25**	**–**	**0.22**	**3.00**	**0.41**	**1.44**	**3.62**	**8.94**	**13.43**	**13.43**	**42.29**	**42.29**	**64.66**
Net Book Value													
As at March 31, 2025	51.46	0.04	0.06	0.52	0.03	0.15	0.22	52.47	3.86	3.86	14.08	14.08	70.41
As at March 31, 2026	**0.30**	**0.04**	**0.79**	**0.75**	**0.02**	**0.67**	**1.97**	**4.54**	**4.88**	**4.88**	**12.81**	**12.81**	**22.23**

Note:

*** Building is measured at fair value.**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Charge against secured redeemable non-convertible debentures (Refer note 22.B)

19 A Intangible assets under development:

As at March 31, 2026

(a) Intangible assets under development:

Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.30	–	–	–	1.30
Projects temporarily suspended	–	–	–	–	–

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	–	–	–	–	–
Project 2	–	–	–	–	–

As at March 31, 2025

(a) Intangible assets under development:

Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	–	–	–	–	–
Project 2	–	–	–	–	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

20. Other non-financial assets

(Unsecured considered good, unless stated otherwise)

	As at March 31, 2026	As at March 31, 2025
Balances with government authorities	28.19	33.51
Contribution to gratuity fund (net) (Refer note 39.A)	3.47	3.86
Prepaid expenses	4.03	5.67
Advances to others	1.10	3.97
	36.78	**47.06**

21. Trade Payables

	As at March 31, 2026	As at March 31, 2025
Payable to :		
(i) total outstanding dues of micro enterprises and small enterprises	2.94	0.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	97.92	169.25
Trade payables to related parties (refer note 48. related party disclosure)	3.03	3.15
	103.89	**172.75**

21. A Details of dues to micro and small enterprises

Trade Payables includes ₹2.94 crores (March 31, 2025 ₹ 0.35 crores) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest amounting to ₹ 0.01crores has been paid / is payable by the Company during the year to “Suppliers” registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

21. B Trade payable days past due

As at March 31, 2026	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.94	–	–	–	2.94
(ii) Others	100.09	–	–	0.86	100.95
(iii) Disputed dues-MSME	–	–	–	–	–
(iv Disputed dues-Others	–	–	–	–	–
Total	**103.03**	**–**	**–**	**0.86**	**103.89**

As at March 31, 2025	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.35	–	–	–	0.35
(ii) Others	171.39	–	0.49	0.52	172.40
(iii) Disputed dues-MSME	–	–	–	–	–
(iv) Disputed dues-Others	–	–	–	–	–
Total	**171.74**	**–**	**0.49**	**0.52**	**172.75**

* Amount shown in less than 1 year includes unbilled amount due as of March 2026 is ₹ 16.88 crores (March 2025 - ₹ 17.99 crores).

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

22 Debt securities

	As at March 31, 2026	As at March 31, 2025
at amortised cost		
(Refer Note 22.A and 22.B)		
Redeemable non-convertible debentures - secured*		
Privately placed	849.72	1,160.52
Public issue	645.03	644.12
Market linked debentures	2.87	2.62
Redeemable non-convertible debentures - unsecured		
Privately placed	6.58	11.97
Commercial papers - unsecured	254.35	172.10
Less: Unamortised discount	(7.34)	(4.22)
	247.01	**167.88**
Total	**1,751.21**	**1,987.11**
Debt securities in India	1,751.21	1,987.11
Debt securities outside India	–	–
Total	**1,751.21**	**1,987.11**

*Company had also bought back its own debt and such outstanding balance amounting to ₹ 240.88 crores (Public Issue - ₹ 235.15 crores, Private Issue ₹ 4.95 crores. MLD - ₹0.78 crores. (P.Y- Public issue - ₹ 235.15 crores, MLD - ₹ 0.78 crores) is netted off from the above figure.

During the year Company has transferred amount of ₹ 0.31 crores to Investor education and protection fund(P.Y. ₹ 0.17 crores)

22. A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2026

Redeemable non-convertible debentures - secured*

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
May 2026	–	–	20.00	–	–	20.00
Jun 2026	–	–	72.50	–	–	72.50
Aug 2026	–	–	–	–	1.22	1.22
Sep 2026	–	–	50.00	–	–	50.00
Dec 2026	–	–	50.00	–	–	50.00
Mar 2027	–	–	300.00	30.00	–	330.00
Jun 2027	–	–	25.00	–	–	25.00
Sep 2027	–	100.00	–	–	–	100.00
Dec 2027	–	–	–	25.00	–	25.00
Mar 2028	–	40.77	47.98	25.00	–	113.74
Jun 2028	–	–	–	25.00	–	25.00
Aug 2028	–	–	227.42	105.00	–	332.42
Jan 2029	–	–	–	235.00	–	235.00
May 2029	–	–	31.55	5.57	–	37.12
Nov 2029	–	–	32.34	11.43	–	43.77
	–	**140.77**	**856.78**	**462.00**	**1.22**	**1,460.77**
Add: interest accrued & effective interest rate amortisation						36.85
***MLD represents market linked debentures**						**1,497.62**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2026	–	–	6.05	–	–	6.05
	–	**–**	**6.05**	**–**	**–**	**6.05**
Add: interest accrued & effective interest rate amortisation						0.53
						6.58

As at March 31, 2025

Redeemable non-convertible debentures - secured*

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2025	–	–	10.00	–	–	10.00
Aug 2025	–	–	3.00	–	–	3.00
Sep 2025	–	–	7.00	–	–	7.00
Oct 2025	–	–	107.50	–	–	107.50
Nov 2025	–	–	–	36.00	–	36.00
Dec 2025	–	–	26.00	–	–	26.00
Jan 2026	–	–	0.80	–	–	0.80
Mar 2026	–	–	65.00	–	–	65.00
May 2026	–	–	20.00	–	–	20.00
Jun 2026	–	–	22.50	–	–	22.50
Aug 2026	–	–	–	–	1.22	1.22
Mar 2027	–	–	500.00	30.00	–	530.00
Sep 2027	–	125.00	–	–	–	125.00
Mar 2028	–	40.77	47.98	–	–	88.75
Aug 2028	–	–	227.42	180.00	–	407.42
Jan 2029	–	–	–	235.00	–	235.00
May 2029	–	–	31.55	5.57	–	37.12
Nov 2029	–	–	32.34	11.43	–	43.77
	–	**165.77**	**1,101.08**	**498.00**	**1.22**	**1,766.08**
Add: interest accrued & effective interest rate amortisation						41.18
						1,807.26

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2026	–	–	11.00	–	–	11.00
	–	**–**	**11.00**	**–**	**–**	**11.00**
Add: interest accrued & effective interest rate amortisation						0.97
						11.97

*MLD represents market linked debentures

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Commercial papers - unsecured

As at March 31, 2026

Month	Rate of Interest				Grand total
	7% - 8%	>8% - 9%	>9% - 10%	>10% - 11%	
Apr 2026	–	25.00	–	–	25.00
May 2026	–	50.00	–	–	50.00
Jun 2026	–	50.00	–	–	50.00
Jul 2026	–	25.00	–	–	25.00
Aug 2026	–	50.00	–	–	50.00
Feb 2027	–	54.35	–	–	54.35
-	**–**	**254.35**	**–**	**–**	**254.35**
Add: Unamortisation discount					(7.34)
					247.01

As at March 31, 2025

Month	Rate of Interest				Grand total
	7% - 8%	>8% - 9%	>9% - 10%	>10% - 11%	
April 2025	–	–	20.00	–	20.00
June 2025	–	–	20.00	–	20.00
July 2025	–	–	36.50	–	36.50
Aug 2025	–	–	11.00	–	11.00
Nov 2025	–	–	–	29.20	29.20
	–	**–**	**142.90**	**29.20**	**172.10**
Add: Unamortised Discount					(4.22)
					167.88

22. B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

During the current year, the Company has raised ₹ Nil (previous year ₹ Nil) worth of redeemable non-convertible debentures through private issue .Company has utilised the whole of the net proceeds towards the objects of the issue as stated in the respective issue prospectus.

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets)

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

23. Borrowings (other than debt securities)

(at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Secured		
Term loan from bank	568.61	392.23
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] (Refer Note 23.A)		
Term loans from financial institutions	–	13.50
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] (Refer note 23.A)		
Other borrowings		
Cash credit lines from bank	29.27	62.70
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Repayable on demand, Interest rate payable in the range of 9.95% to 10.00%)		
Working capital demand loan from bank	45.00	146.00
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Repayable on demand, Interest rate payable in the range of 9.95% to 10.00%)		
Tri party REPO		
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement	1,585.99	2,448.02
[Secured by pledge of government securities]		
[Repayable on April 02, 2026 (Repayable on April 02, 2025)]		
Unsecured		
Loan from related parties	100.38	–
(Repayable on or before December 15, 2026, Interest rate @ 9.75% p.a. (refer note 48)		
Total	**2,329.25**	**3,062.45**
Borrowings in India	2,329.25	3,062.45
Borrowings from outside India	–	–
Total	**2,329.25**	**3,062.45**

23. A Maturity profile and rate of interest of borrowings from bank and financial institutions are set out below:

As at March 31, 2026

Term loan from bank & term loan from financial institutions

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12% - 13%	>14% - 15%	
Apr 2026	5.30	3.70	3.33	–	–	12.33
May 2026	7.80	3.70	3.33	–	–	14.83
Jun 2026	–	9.25	3.33	–	–	12.58
Jul 2026	5.30	3.70	3.33	–	–	12.33
Aug 2026	13.36	3.70	3.33	–	–	20.39
Sep 2026	–	9.25	3.33	–	–	12.58
Oct 2026	5.30	3.70	3.33	–	–	12.33
Nov 2026	13.36	3.70	3.33	–	–	20.39
Dec 2026	–	9.25	3.33	–	–	12.58
Jan 2027	5.30	3.70	3.33	–	–	12.33

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12% - 13%	>14% - 15%	
Feb 2027	13.36	3.70	3.33	–	–	20.39
Mar 2027	–	9.25	3.33	–	–	12.58
Apr 2027	5.30	3.70	3.33	–	–	12.33
May 2027	13.36	3.70	3.33	–	–	20.39
Jun 2027	–	9.25	3.33	–	–	12.58
Jul 2027	5.30	3.70	3.33	–	–	12.33
Aug 2027	13.36	3.70	3.33	–	–	20.39
Sep 2027	–	9.25	3.33	–	–	12.58
Oct 2027	5.30	3.70	3.33	–	–	12.33
Nov 2027	13.36	3.70	3.33	–	–	20.39
Dec 2027	–	9.35	3.33	–	–	12.68
Jan 2028	5.30	3.70	3.33	–	–	12.33
Feb 2028	13.36	3.70	3.33	–	–	20.39
Mar 2028	–	3.70	3.33	–	–	7.03
Apr 2028	5.30	3.70	3.33	–	–	12.33
May 2028	13.36	3.70	3.33	–	–	20.39
Jun 2028	–	3.70	3.33	–	–	7.03
Jul 2028	5.30	3.70	3.33	–	–	12.33
Aug 2028	12.66	3.70	3.33	–	–	19.69
Sep 2028	–	3.90	3.33	–	–	7.23
Oct 2028	4.60	–	3.33	–	–	7.93
Nov 2028	8.06	–	3.33	–	–	11.39
Dec 2028	–	–	3.33	–	–	3.33
Jan 2029	–	–	3.33	–	–	3.33
Feb 2029	8.06	–	3.33	–	–	11.39
Mar 2029	–	–	3.33	–	–	3.33
Apr 2029	–	–	3.33	–	–	3.33
May 2029	8.06	–	3.33	–	–	11.39
Jun 2029	–	–	3.33	–	–	3.33
Jul 2029	–	–	3.33	–	–	3.33
Aug 2029	8.06	–	3.33	–	–	11.39
Sep 2029	–	–	3.33	–	–	3.33
Oct 2029	–	–	3.33	–	–	3.33
Nov 2029	8.06	–	3.33	–	–	11.39
Dec 2029	–	–	3.33	–	–	3.33
Jan 2030	–	–	3.33	–	–	3.33
Feb 2030	8.06	–	3.33	–	–	11.39
Mar 2030	–	–	3.33	–	–	3.33
Apr 2030	–	–	3.33	–	–	3.33
May 2030	8.06	–	3.33	–	–	11.39
Jun 2030	–	–	3.53	–	–	3.53
Aug 2030	8.06	–	–	–	–	8.06
Nov 2030	8.06	–	–	–	–	8.06
	257.40	**150.15**	**170.03**	**–**	**–**	**577.58**
Add: interest accrued & effective interest rate amortisation						(8.97)
						568.61

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2025

Term loan from bank & term loan from other parties

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12 - 13%	>14% - 15%	
Apr 2025	–	6.80	3.70	–	–	10.50
May 2025	–	6.80	5.37	–	–	12.17
Jun 2025	–	7.05	5.37	21.99	–	34.40
Jul 2025	–	6.80	5.37	–	–	12.17
Aug 2025	–	6.80	5.37	–	–	12.17
Sep 2025	–	7.05	5.37	–	–	12.42
Oct 2025	–	6.80	3.70	–	–	10.50
Nov 2025	–	6.80	3.70	–	–	10.50
Dec 2025	–	7.05	3.70	–	–	10.75
Jan 2026	–	5.30	3.70	–	–	9.00
Feb 2026	–	5.30	3.70	–	–	9.00
Mar 2026	–	5.55	3.70	–	–	9.25
Apr 2026	–	5.30	3.70	–	–	9.00
May 2026	–	5.30	3.70	–	–	9.00
Jun 2026	–	5.55	3.70	–	–	9.25
Jul 2026	–	5.30	3.70	–	–	9.00
Aug 2026	–	5.30	3.70	–	–	9.00
Sep 2026	–	5.55	3.70	–	–	9.25
Oct 2026	–	5.30	3.70	–	–	9.00
Nov 2026	–	5.30	3.70	–	–	9.00
Dec 2026	–	5.55	3.70	–	–	9.25
Jan 2027	–	5.30	3.70	–	–	9.00
Feb 2027	–	5.30	3.70	–	–	9.00
Mar 2027	–	5.55	3.70	–	–	9.25
Apr 2027	–	5.30	3.70	–	–	9.00
May 2027	–	5.30	3.70	–	–	9.00
Jun 2027	–	5.55	3.70	–	–	9.25
Jul 2027	–	5.30	3.70	–	–	9.00
Aug 2027	–	5.30	3.70	–	–	9.00
Sep 2027	–	5.55	3.70	–	–	9.25
Oct 2027	–	5.30	3.70	–	–	9.00
Nov 2027	–	5.30	3.70	–	–	9.00
Dec 2027	–	5.65	3.70	–	–	9.35
Jan 2028	–	5.30	3.70	–	–	9.00
Feb 2028	–	5.30	3.70	–	–	9.00
Mar 2028	–	–	3.70	–	–	3.70
Apr 2028	–	5.30	3.70	–	–	9.00
May 2028	–	5.30	3.70	–	–	9.00
Jun 2028	–	–	3.70	–	–	3.70
Jul 2028	–	5.30	3.70	–	–	9.00

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12 - 13%	>14% - 15%	
Aug 2028	–	4.60	3.70	–	–	8.30
Sep 2028	–	–	3.90	–	–	3.90
Oct 2028	–	4.60	–	–	–	4.60
	–	**226.95**	**163.93**	**21.99**	**–**	**412.87**
Add: interest accrued & effective interest rate amortisation						(7.14)
						405.73

24. Subordinated liabilities (unsecured)

(at amortised cost) (Refer Note 24.A)

	As at March 31, 2026	As at March 31, 2025
Subordinated debt		
Privately placed non-convertible redeemable*	585.07	955.25
Perpetual debt	111.36	111.36
Total	**696.43**	**1,066.61**
Subordinated liabilities in India	696.43	1,066.61
Subordinated liabilities outside India	–	–
Total	**696.43**	**1,066.61**

*Company had also bought back its own debt and such outstanding balance amounting to ₹9.90 crores (P.Y. ₹10.48 crores) is netted of from the above figure.

24. A Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2026

Subordinated debt (unsecured)

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
Jun 2026	–	250.00	–	250.00
Oct 2026	12.00	–	–	12.00
Apr 2027	45.00	–	–	45.00
Jun 2027	0.10	–	–	0.10
Jul 2027	24.00	–	–	24.00
Sep 2027	20.00	–	–	20.00
Oct 2027	200.00	–	–	200.00
	301.10	**250.00**	**–**	**551.10**
Add: interest accrued & effective interest rate amortisation				33.97
				585.07

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2027	–	60.00	–	60.00
Dec 2027	20.00	–	–	20.00
Feb 2028	25.00	–	–	25.00
	45.00	**60.00**	**–**	**105.00**
Add: interest accrued & effective interest rate amortisation				6.36
				111.36

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2025

Subordinated debt (unsecured)

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2025	–	–	303.70	303.70
Jun 2025	5.00	–	–	5.00
Sep 2025	–	20.00	–	20.00
Jun 2026	–	250.00	–	250.00
Oct 2026	12.00	–	–	12.00
Apr 2027	45.00	–	–	45.00
Jun 2027	10.00	–	–	10.00
Jul 2027	24.00	–	–	24.00
Sep 2027	20.00	–	–	20.00
Oct 2027	200.00	–	–	200.00
	316.00	**270.00**	**303.70**	**889.70**
Add: interest accrued & effective interest rate amortisation				65.55
				955.25

Perpetual debt

Month	Rate of Interest			Grand Total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2027	–	60.00	–	60.00
Dec 2027	20.00	–	–	20.00
Feb 2028	25.00	–	–	25.00
	45.00	**60.00**	**–**	**105.00**
Add: interest accrued & effective interest rate amortisation				6.36
				111.36

24. B Details of subordinated liabilities

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment. if call option is not exercised.

25. Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Payable on account of securitisation	97.13	246.34
Accrued salaries and benefits	1.03	24.28
Rental Deposits	–	1.86
Lease liabilities (refer note 40.C)	21.91	24.56
Other payable	16.66	12.98
	136.73	**310.02**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

26. Current tax liabilities (net)*

	As at March 31, 2026	As at March 31, 2025
Provision for taxation	1.39	7.57
	1.39	**7.57**

27. Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
(Refer Note 39.A)		
Gratuity#	–	0.88
Compensated leave absences	0.95	0.92
	0.95	**1.80**

28. Other non-financial liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory liabilities##	3.63	2.54
Others	0.74	0.21
	4.37	**2.75**

Gratuity liability for ERFL as on March 25

Includes withholding taxes, Provident fund, profession tax and other statutory dues payables

29. Equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Authorised :				
Equity shares of Re.1 each	7,20,00,00,000	720.00	7,20,00,00,000	720.00
Preference shares of ₹ 10 each	40,00,000	4.00	40,00,000	4.00
	7,20,40,00,000	**724.00**	**7,20,40,00,000**	**724.00**
Issued, subscribed and paid up:				
Equity shares of Re.1 each	3,18,29,15,812	318.29	3,18,29,15,812	318.29
	3,18,29,15,812	**318.29**	**3,18,29,15,812**	**318.29**

A. Reconciliation of number of shares

	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	3,182,915,812	318.29	2,138,267,650	213.83
Issued on account of CCD conversion*	–	–	561,890,162	56.19
Issued on account of Merger**			482,758,000	48.27
Outstanding at the end of the year	**3,182,915,812**	**318.29**	**3,182,915,812**	**318.29**

B. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Ultimate holding company				
Edelweiss Financial Services Limited	–	–	–	–
Holding company#				
Edel Finance Company Limited	2,17,19,36,650	68.24%	2,17,19,36,650	68.24%
Fellow subsidiaries				
Ecap Equities Limited	67,08,75,499	21.08%	67,08,75,499	21.08%
Edelcap Securities Limited	34,01,03,663	10.69%	34,01,03,663	10.69%
	3,18,29,15,812	**100.00%**	**3,18,29,15,812**	**100.00%**

D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Edel Finance Company Limited#	2,17,19,36,650	68.24%	2,17,19,36,650	68.24%
Ecap Equities Limited	67,08,75,499	21.08%	67,08,75,499	21.08%
Edelcap Securities Limited	34,01,03,663	10.69%	34,01,03,663	10.69%
	3,18,29,15,812	**100.00%**	**3,18,29,15,812**	**100.00%**

E. Details of shares held by promoters in the Company

	As at March 31, 2026		% Change During the Year
	No of shares	% holding	
Edel Finance Company Limited#	2,17,19,36,650	68.24%	0.00%
Ecap Equities Limited	67,08,75,499	21.08%	0.00%
Edelcap Securities Limited	34,01,03,663	10.69%	0.00%
	3,18,29,15,812	**100.00%**	**0.00%**

	As at March 31, 2025		% Change During the Year
	No of shares	% holding	
Edel Finance Company Limited	2,17,19,36,650	68.24%	–31.76%
Ecap Equities Limited	67,08,75,499	21.08%	21.08%
Edelcap Securities Limited	34,01,03,663	10.69%	10.69%
	3,18,29,15,812	**100.00%**	**0.00%**

including 5 Shares held by nominees of Edel Finance Company Limited

F. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

G. During the period of five financial years immediately preceding the balance sheet date, the Company has not:

(i) allotted any fully paid-up equity shares by way of bonus shares;

(ii) allotted any equity shares pursuant to any contract without payment being received in cash;

(iii) brought back any equity shares

*On May 7, 2019, the company issued 10,39,49,680 Compulsorily Convertible Debentures (CCDs) at ₹ 100 each, raising a total of ₹ 1,039.50 crores. During the financial year 2024-25 such CCD's were due for conversion and accordingly 56,18,90,162 equity shares with a face value of ₹ 1 each were issued on conversion.

** Includes 48,27,58,000 numbers of shares alloted to ERFL shareholders based on swap ratio on October 13, 2025 (Refer Note 44A)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

30. Other equity

	As at March 31, 2026	As at March 31, 2025
Securities premium reserve	1,605.89	1,609.35
Statutory reserve	625.53	622.76
Debenture redemption reserve	25.44	25.44
Retained earnings	1,026.53	991.91
Deemed capital contribution - equity	14.59	14.59
Capital Reserve	(4.51)	(4.51)
Revaluation Reserve	–	22.79
Other Comprehensive income on Equity instrument	(1,582.35)	(1,473.68)
	1,711.13	**1,808.66**

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Statutory reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

c. Debenture redemption reserve

The Company being an NBFC is required to create and maintain debenture redemption reserve (DRR) equivalent to 25% of the public issue of debentures, as required by Companies Act, 2013. The amounts credited to the DRR may not be utilised except on redemption of such debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the recent amendment to the Companies Act 2013, NBFCs are no longer required to create and maintain DRR. Accordingly, the Company has not created incremental DRR on existing public issue of debentures, post the said amendment, though the Company continues to maintain the DRR created earlier till the maturity of these debentures.

d. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the ultimate holding company under its employee share option plan.

f. Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

g. Other Comprehensive income on Equity instrument

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income.

h. Capital Reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution and also includes capital reserve created on account of merger (Refer Note 44A)

B. Movement in Other equity

	As at March 31, 2026	As at March 31, 2025
I. Securities premium reserve		
Opening balance	1,609.35	1,499.21
Add : Premium on issue of securities	(3.46)	110.14
	1,605.89	**1,609.35**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

		As at March 31, 2026	As at March 31, 2025
II.	**Statutory reserve**		
	Opening balance	622.76	611.68
	Add : Reserve created for the year	2.77	11.08
		625.53	**622.76**
III.	**Debenture redemption reserve**		
	Opening balance	25.44	25.44
	Less: transferred to retained earnings	–	–
		25.44	**25.44**
IV.	**Retained earnings**		
	Opening balance	991.91	941.33
	Add: Profit/(Loss) for the year	13.86	53.73
	Add: Other comprehensive income/(loss)	0.75	4.33
	Add: transferred from debenture redemption reserve	–	–
	Add: Reversal of ESOP liabilities to reserve	–	0.84
	Add: Balance released from revaluation reserve	22.79	2.76
	Amount available for appropriation	1,029.30	1,002.99
	Appropriations:		
	Transfer to statutory reserve	(2.77)	(11.08)
		(2.77)	**(11.08)**
		1,026.53	**991.91**
V.	**Deemed capital contribution - equity**		
	Opening balance	14.59	14.59
	Add : ESOP charge for the year	–	
		14.59	**14.59**
VI.	**Revaluation Reserve**		
	Opening Balance	22.79	25.55
	Less : Reserve reversed during the year	–	–
	Less : Transferred to retained earnings	(22.79)	(2.76)
		–	**22.79**
VII.	**Other Comprehensive income on Equity instrument**		
	Opening Balance	(1,473.68)	(41.75)
	Add : Income/(Loss) during the year	(108.67)	(1,431.94)
	Less : Transferred to retained earnings	–	–
		(1,582.35)	**(1,473.68)**
VIII	**Capital Reserve**		
	Opening Balance	(4.51)	0.82
	Add : Capital reserve on merger	–	(5.33)
	Less : Transferred to retained earnings	–	–
		(4.51)	**(4.51)**
		1,711.13	**1,808.66**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

31. Interest Income

	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial assets measured at Amortised cost		
Interest on loans	123.86	153.85
Interest on deposits with bank	3.57	5.59
Other interest income	3.41	24.15
	130.84	**183.59**
On financial assets measured at FVTPL		
Interest income from investments	239.60	217.64
	239.60	**217.64**
On financial assets measured at FVOCI		
Interest on loans	49.62	60.59
	420.06	**461.82**

32. Dividend income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend income	0.58	0.89
	0.58	**0.89**

33. Fee income & commission income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Advisory and other fees	60.33	70.49
Commission income - Insurance	7.67	0.36
	68.00	**70.85**

34. Net gain/ (loss) on fair value changes

	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain/ (loss) on financial instruments classified at FVTPL		
(i) On Trading Portfolio		
Investments		
Profit / (Loss) on trading - Investment (net)	107.38	145.12
Fair value change - Investment (net)	(26.77)	10.55
Fair value change - P&L - equity	(11.74)	10.70
Derivatives		
Profit / (Loss) on trading - Interest rate swap (net)	(2.56)	10.54
Profit / (Loss) on trading - Equity derivative instruments (net)	0.49	0.84
Profit / (loss) on trading - Interest rate derivative instruments (net)	0.46	(11.07)
Fair value change- Derivative financial instruments (net)	13.96	(10.63)
(ii) Others		
Profit / (Loss) on sale/redemption - AIFs	62.84	0.49
Fair value change - AIFs	(15.89)	22.21
	128.18	**178.75**
Fair value changes		
Realised	168.62	145.92
Unrealised	(40.44)	32.83
	128.18	**178.75**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

35. Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit on sale of property, plant and equipment and Investment property	43.58	–
Interest on income tax refund	1.71	13.35
Shared Premises Income (Refer note 40.D)	4.85	6.50
Other miscellaneous income	5.18	10.60
	55.31	**30.45**

36. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on borrowings other than debt securities	224.21	274.53
Interest on debt securities	182.33	197.65
Interest on subordinated liabilities	71.14	124.18
Other finance cost and bank charges	29.08	35.43
Interest on lease liabilities	2.25	2.69
(Refer note 40.C)		
	509.01	**634.48**

37. Net loss on derecognition of financial instruments

	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss on sale of credit impaired assets	0.40	(181.22)
(Refer note 37.A)		
	0.40	**(181.22)**

37 A. Under the Shareholders' Agreement dated March 5, 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and the Company (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real state/structured finance Loans (Select Loans) into the Company within six months of the default leading to loss incurred by the Company on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of the Company unimpacted on account of impairment in these loan accounts. During the year ended March 31, 2025, Parties have discussed and agreed that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 181.22 crores incurred by the Company in earlier years. Accordingly, ECLF has recorded such recovery in its profit and loss account for the year ended March 31, 2025.

38. Impairment on financial instruments

	For the year ended March 31, 2026	For the year ended March 31, 2025
On Loans (Including undrawn commitments)		
-Measured at Amortised Cost	0.70	4.10
-Measured at FVOCI	(6.86)	(27.33)
Bad debts and advances written off (net of recovery)	25.67	24.17
On Others	(4.99)	3.35
	14.52	**4.29**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

39. Employee benefit expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and bonus	49.38	81.06
Contribution to provident and other funds	4.38	4.72
Share based payment expense - refer note below	(0.42)	(2.27)
Staff welfare expenses	2.04	2.01
	55.38	**85.52**

Notes:

1) Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

39. A Employee Benefits

a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹3.27 crores (March 31, 2025 : ₹ 3.57 crores) for provident fund and other contributions in the Statement of profit and loss.

b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out As at March 31, 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements As at balance sheet date:

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligations (A)	5.17	4.08
Fair value of plan assets (B)	8.63	7.06
Present value of funded obligations (A - B)	**(3.47)**	**(2.98)**
Net deficit / (assets) are analysed as:		
Liabilities - (refer note 27)	–	–

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
Particulars	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Opening balance	4.08	5.34	7.06	8.10	(2.98)	(2.76)
Current service cost	0.97	0.63	–		0.97	0.63
Past service cost	0.75				0.75	
Interest cost (income)	0.26	0.34	0.49	0.10	(0.24)	0.25
	6.05	**6.31**	**7.56**	**8.19**	**(1.50)**	**(1.88)**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Other comprehensive income						
Remeasurement loss (gain):	–	–				
Actuarial loss (gain) arising from:	–	–	–	–	–	–
Experience	0.10	0.05	–	–	0.10	0.05
Financial assumptions	(0.02)	0.05	–	–	(0.02)	0.05
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	–	–	1.60	5.87	(1.60)	(5.87)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	–	–	(0.52)	–	0.52	
	0.08	**0.09**	**1.08**	**5.87**	**(1.00)**	**(5.78)**
Others						
Transfer in/ (out)	–	(0.41)	–	–	–	(0.41)
Contributions by employer	–	–	0.97	(5.32)	(0.97)	5.32
Benefits paid	(0.97)	(1.91)	(0.97)	(1.68)	–	(0.23)
Closing balance	**5.17**	**4.08**	**8.63**	**7.06**	**(3.47)**	**(2.98)**
Represented by						
Defined benefit asset					3.47	3.86
Defined benefit liability*					–	0.88
					3.47	**2.98**

*Gratuity liability for ERFL as on March 25

Components of defined benefit plan cost:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Recognised in statement of profit or loss		
Current service cost	0.97	0.63
Interest cost / (income) (net)	(0.24)	0.25
Past service cost	0.75	–
Total	**1.47**	**0.88**
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	(1.00)	(5.78)
Return on plan assets excluding net interest	–	–
Total	**(1.00)**	**(5.78)**

Percentage break-down of total plan assets

	As at March 31, 2026	As at March 31, 2025
Investment funds with insurance company		
Of which. unit linked	65.70	79.30
Cash and cash equivalents	34.30	20.70
	100.00	**100.00**

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

	As at March 31, 2026	As at March 31, 2025
Discount rate	6.50%	6.40%
Salary growth rate	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	16.00%	16.00%
Mortality rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Expected weighted average remaining working lives of employees	4.5 Years	4.5 Years
Interest rate on net DBO/ (asset) (% p.a.)	6.40%	7.00%

Notes:

a) The discount rate is based on the benchmark yields available on Government Bonds at reporting date.

b) The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

c) Assumptions regarding future mortality experience are set in accordance with the published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.28	(0.26)	0.65	(0.61)
Discount Rate (+/- 1%)	(0.26)	0.28	(0.61)	0.65
Withdrawal Rate (+/- 1%)	(0.04)	0.04	(0.01)	0.01

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

Description of asset liability matching (ALM) policy

The Company has an insurance plan invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The weighted average duration of the obligation is 4.5 years (March 31, 2025: 4.5 years) As at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Asset liability comparisons

Particulars	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Present value of DBO	5.17	4.08	4.43	4.16	4.78
Fair value of plan assets	8.63	7.06	8.10	7.56	8.58
Net (assets)/liability	**(3.47)**	**(2.98)**	**(3.67)**	**(3.40)**	**(3.80)**

C) Compensated absences :

The Company provides for accumulated compensated absences As at the balance sheet date using projected unit credit method based on actuarial valuation.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

40. Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Advertisement and business promotion	0.39	0.42
Auditors' remuneration (refer note 40.A)	1.86	2.12
Commission and brokerage	0.70	2.13
Directors' sitting fees	0.85	0.94
Insurance	0.09	0.27
Legal and professional fees	6.21	26.85
Printing and stationery	0.29	0.22
Rates and taxes	0.72	0.98
Rent (refer note 40.C & 40.D)	4.16	5.08
Repairs and maintenance (refer note 40.D)	0.42	0.53
Electricity charges (refer note 40.D)	0.65	0.86
Computer expenses	12.03	18.23
Corporate social responsibility (refer note 40.B)	0.24	0.26
Corporate guarantee commission	0.46	0.46
Clearing & custodian charges	0.28	0.45
Dematerialisation charges	0.18	0.05
Rating support fees	0.63	1.02
Loss/ (Profit) on sale of property, plant and equipment, Intangible asset and Investment Property	–	10.18
Membership and subscription	0.72	0.26
Office expenses (refer note 40.D)	0.76	0.65
Securities transaction tax	2.34	4.20
Goods & service tax expenses	8.39	12.72
Stamp duty	2.10	3.59
Transaction Charges	12.93	10.65
Travelling and conveyance	2.46	2.36
Housekeeping and security charges (refer note 40.D)	0.71	0.87
Commission to Non-Executive Directors	0.40	0.50
Miscellaneous expenses	5.32	4.59
	66.29	**111.44**

40. A Auditors' Remuneration:

	For the year ended March 31, 2026	For the year ended March 31, 2025
As a Auditor		
Statutory audit fees	0.87	0.94
Limited review fees*	0.67	0.71
Fees for certification work	0.25	0.32
Towards reimbursement of expenses	0.07	0.15
	1.86	**2.12**

* Includes ₹ 0.07 crores paid to ERFL auditors for FY 26 and for FY 25 it is for merged entity

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

40. B Details of CSR Expenditure:

As per the provisions of section 135 of the Companies Act, 2013, every company including its holding or subsidiary and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Since the Company does not satisfy condition related to net average profit "average net profits of the Company made during the three immediately preceding financial years" as mentioned in the provisions of section 135 of the Company's Act 2013, the Company is not required to comply the provisions of section 135 of Companies Act 2013.

Prior to the merger, ERFL was covered under the applicability provisions of section 135 of the Compnaies Act,2013 based on its standalone financials statements and accordingly incurred CSR expenditure for the period from April 2025 to September 2025 amounting to ₹ 0.24 crores.

However, subsequent to the merger of ERFL with the company effective from 1st October 2025, the CSR provisions were not applicable to the merged entity,since the prescribed thresholds under Section 135 were not exceeded on the merged basis.

Accordingly the details furnished hereunder relate to the CSR expenditure incurred by ERFL during the period from April 2025 to September 2025 as referred above.

	For the year ended March 31, 2026	For the year ended March 31, 2025
As per the provisions of Section 135 of Companies Act 2013		
(a) Amount required to be spent by the company during the year	0.24	0.26
(b) Amount of expenditure incurred	0.24	0.26
(i) Construction/ Acquisition of any assets	–	–
(ii) For purpose other than (i) above	0.24	0.26
(c) Shortfall at the end of the year		
(i) Construction/ Acquisition of any assets	–	–
(ii) For purpose other than (i) above	–	–
(d) Total of previous years shortfall	–	–
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Details of related party transactions	–	–
Name of Related Party	Edelgive Foundation	Edelgive Foundation
Relationship	Fellow Subsidiary	Fellow Subsidiary
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	–	–
(h) Nature of CSR activities	Education	Education
	0.24	**0.26**

40. C Ind AS 116 on Lease

Right to use of assets

	As at March 31, 2026	As at March 31, 2025
Opening balance	14.08	17.57
Addition / disposal during year	2.57	0.64
Amortisation expenses	(3.84)	(4.13)
Closing balance	**12.81**	**14.08**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Lease liability

	As at March 31, 2026	As at March 31, 2025
Opening balance	24.56	28.33
Addition/closed during year	1.70	0.67
Accretion of interest	2.25	2.58
Payments during the year	(6.60)	(7.02)
Closing balance	**21.91**	**24.56**

Amount recognised in statement of profit and loss

	For the year ended March 31, 2026	For the year ended March 31, 2025
Amortisation expenses - right of use assets	3.84	4.14
Interest expenses on lease liabilities	2.25	2.68
Expenses relating to short term leases (included in other expenses)	4.16	3.75
Total amount recognised in statement of profit and loss	**10.25**	**10.57**

40. D Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 39 and 40 include reimbursements paid and are net of reimbursements received based on the management's best estimate are ₹2.11 crores (previous year ₹ 2.46 crores)

41. Income tax

Component of income tax expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	–	0.01
Adjustment in respect of current income tax of prior years	1.19	0.34
Deferred tax	2.69	13.60
Total tax expense for the year	**3.88**	**13.95**
Current tax (refer note 41.A)	1.19	0.35
Deferred tax (refer note 41.B)	2.69	13.60

41. A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before taxes	17.74	67.68
Statutory income tax rate	25.17%	25.17%
Tax charge at statutory rate	4.46	17.03
Tax effect of :		
A) Adjustment in respect of current income tax of prior year	1.19	0.34
B) Tax impact due to revaluation of deferred tax due to change in Income tax rate	–	–
C) Item on which no deferred tax is created	(1.77)	(3.22)
D) Tax effects on various other items	–	(0.20)
Total tax reported in statement of profit and loss	**3.88**	**13.95**
Effective income tax rate	**21.85%**	**20.61%**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

41.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

For the year ended March 31, 2026	As at April 01, 2025	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2026
Deferred tax assets					
Expected credit loss	10.25	0.38	–	–	10.63
Unamortised processing fees	1.07	2.01	–	–	3.08
Unused tax losses - accumulated losses	500.06	(0.18)	4.79	–	504.67
Investments (FVTPL)	49.63	(18.69)	–	–	30.93
Investments (FVOCI)	50.83	–	(4.79)	–	46.04
Derivatives	2.30	4.19	–	–	6.49
Provision for leave accumulation	0.23	0.01	–	–	0.24
Difference between book and tax depreciation	–	2.84	–	–	2.84
Others	0.26	(0.01)	–	–	0.24
Deferred tax liabilities					
Difference between book and tax depreciation	(16.44)	11.03	5.41	–	–
Effective interest rate on financial liabilities	(5.08)	5.08	–	–	
Unrealised gain on financial instruments	(1.63)	(6.41)	–	–	(8.04)
Disallowances under section 43B of the Income tax act, 1961	(0.84)	(0.14)	0.25	–	(0.73)
Unamortised orgination cost	(1.52)	(2.80)	–	–	(4.32)
Deferred tax asset (net)	**589.10**	**(2.69)**	**5.66**	**–**	**592.08**

For the year ended March 31, 2025	As at April 01, 2024	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2025
Deferred tax assets					
Expected credit loss	12.09	(1.85)	–	–	10.25
Unamortised processing fees - Loans	1.48	(0.40)	–	–	1.07
Unused tax losses - accumulated losses	704.06	(204.01)	–	–	500.06
Investments (FVTPL)	85.09	(35.46)		–	49.63
Investments (FVOCI)	1.40	–	49.43	–	50.83
Derivatives	0.55	1.74	–	–	2.30
Provision for leave accumulation	0.31	(0.08)	–	–	0.23
"Disallowances under section 43B of the Income tax act, 1961"	1.45	–	(1.45)	–	–
Others	–	0.26	–	–	0.26
Deferred tax liabilities					
Difference between book and tax depreciation	(18.73)	2.29	–	–	(16.44)
Effective interest rate on financial liabilities	(8.29)	3.21	–	–	(5.08)
Unrealised gain on financial instruments	(222.05)	220.42	–	–	(1.63)
Disallowances under section 43B of the Income tax act, 1961	–	(0.84)	–	–	(0.84)
Unamortised orgination cost - Loans	(2.06)	0.55	–	–	(1.52)
Others	(0.58)	0.58	–	–	–
Deferred tax asset (net)	**554.72**	**(13.60)**	**47.98**	**–**	**589.10**

Company has not created DTA on Security receipts lossess Amounting to ₹ 352.24 crores March 2026 (₹ 323.41 crores March 2025 previous year)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

42. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic Earnings per Share		
Net (Loss) / Profit attributable to Equity holders of the Company - A	13.86	53.73
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	3,18,29,15,812	2,13,82,67,650
- Number of equity shares issued during the year	–	1,04,46,48,162
Total number of equity shares outstanding at the end of the year	3,18,29,15,812	3,18,29,15,812
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	3,18,29,15,812	2,92,89,10,670
Basic earnings per share (in rupees) (A/B)	0.04	0.18
Diluted earnings per share (in rupees) (A/B)	0.04	0.18

43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

	For the year ended March 31, 2026	For the year ended March 31, 2025
Direct/Indirect tax Litigation pending against the Company	21.03	20.40

Commitment

	For the year ended March 31, 2026	For the year ended March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.48	0.00
Undrawn committed credit lines	164.96	5.31
AIF Undrawn amount	–	179.57

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

44. A Merger Note :

Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT) under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme"), Edelweiss Retail Finance Limited ("ERFL" or "Transferor Company"), a company under common group control, has been amalgamated with ECL Finance Limited ("ECL" or "Transferee Company"), both registered as Non-Banking Financial Company (NBFC) engaged in the business of financing of loans. The Scheme provides October 1, 2024, as the appointed date and became effective upon filing of the certified copy of the NCLT order with the Registrar of Companies on September 30, 2025.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

The amalgamation has been accounted for as a business combination of entities under common control in accordance with the "pooling of interest" method prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 – "Business Combination", and in accordance with the relevant provisions of the Scheme. Accordingly, All assets and liabilities recorded in the books of the Transferor Company will be transferred to and vested in the Transferee Company and shall be recorded by the Transferee Company at their carrying amount. Further, the financial information of the Transferee Company for prior periods has been restated as if the amalgamation had occurred from the beginning of the preceding period as per the terms mentioned in the Scheme.

As per the Scheme, the Transferee Company has issued equity shares to the shareholders of the Transferor Company based on the swap ratio as specified therein, details of which are as follows:

1,124 (One thousand One hundred and twenty-four) fully paid-up equity shares having face value of INR 1/- {Indian Rupee One only} of the Transferee Company shall be issued and allotted for every 100 (Hundred) equity shares having face value of INR 10/- {Indian Rupees Ten only} each held in the Transferor Company.

Details of the purchase consideration and net value of assets, liabilities and reserve transfer and capital reserve as on appointed date is as under:

Sr. No.	Particulars	Amounts	Amounts
I	Purchase Consideration (Refer Note 1 below)		48.27
II	Transfer of Assets, Liabilities and Reserves:		
	Total Assets	1,012.40	
	Total Liabilities	(460.79)	
	Other Equity	(508.67)	42.94
III	Capital Reserve (II-I) (Refer Note 2 below)		5.33

Note 1 - The purchase consideration of ₹48.27 crores has been discharged through the issuance of 48,27,58,000 fully paid-up equity shares of ECL Finance Limited each having a face value offers.

Note 2 - The excess of net assets acquired over the consideration paid amounting to ₹5.33 crore has been recognized as Capital Reserve in accordance with Appendix C to Ind AS 103.

44. B Segment Reporting

The company is engaged primarily in the business of financing and accordingly there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the company operates only in India.

45. Transfer of financial assets

45. A Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Securitisations		
Carrying amount of transferred assets	170.47	381.53
(held as Collateral)		
Carrying amount of associated liabilities	163.71	348.75
Fair value of assets	182.77	373.20
Fair value of associated liabilities	151.52	286.53
Net position at FV	31.25	86.67

45. B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

46. A. Change in liabilities arising from financing activities

Particulars	As at April 01, 2025	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2026
Debt securities	1,987.11	(228.00)	–	(7.90)	1,751.21
Borrowings other than debt securities	3,062.45	(731.54)	–	(1.66)	2,329.25
Subordinated liabilities	1,066.61	(338.60)	–	(31.58)	696.43
Lease Liabilities	24.56	(6.60)		3.95	21.91
	6,140.73	**(1,304.74)**	**–**	**(37.19)**	**4,798.80**

Particulars	As at April 01, 2024	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2025
Debt securities	2,646.00	(375.78)	–	(283.11)	1,987.11
Borrowings other than debt securities	3,417.14	(354.91)	–	0.22	3,062.45
Subordinated liabilities	1,332.48	(10.10)	–	(255.77)	1,066.61
Lease Liabilities	28.33	(7.02)	–	3.25	24.56
	7,423.95	**(747.81)**	**–**	**(535.41)**	**6,140.73**

*Other column includes conversion of CCDs into equity and also the effect of accrued but not paid interest on borrowing, amortisation of processing fees, accretion of lease liabilities etc.

46. B. Operating cash flow before working capital changes has cash profit of ₹ 36.79 crores for the year ended 31st March, 2026 (Nil Cash losses computed on the basis of Companies (Auditor's Report) Order, 2020).

47. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	407.17	–	407.17	817.46	–	817.46
Bank balances other than cash and cash equivalents	32.43	7.95	40.38	36.68	2.85	39.53
Derivative financial instruments	31.95	–	31.95	0.98	–	0.98
Trade receivables	21.47	–	21.47	38.32	–	38.32
Loans	257.98	1,465.09	1,723.06	354.91	856.74	1,211.65
Investments	2,254.14	1,470.56	3,724.70	3,057.91	2,603.09	5,661.00
Other financial assets	237.17	4.61	241.78	7.06	37.34	44.40
Non-financial assets						
Current tax assets (net)	–	233.64	233.64	–	218.02	218.02
Deferred tax assets (net)	–	592.08	592.08	–	589.10	589.10
Investment Property	2.86	0.00	2.86	4.40	–	4.40
Property, plant and equipment	–	17.36	17.36	–	66.55	66.55
Intangible assets under development	–	1.30	1.30	–	–	–
Other intangible assets	–	4.88	4.88	–	3.86	3.86
Other non- financial assets	–	36.78	36.78	–	47.06	47.06
Total Assets	**3,245.17**	**3,834.24**	**7,079.41**	**4,317.72**	**4,424.61**	**8,742.33**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Derivative financial instruments	25.77	–	25.77	4.32	–	4.32
Trade payables	103.32	0.57	103.89	172.44	0.31	172.75
Debt securities	819.77	931.44	1,751.21	467.30	1,519.81	1,987.11
Borrowings (other than debt securities)	1,936.49	392.76	2,329.25	2,809.93	252.52	3,062.45
Subordinated liabilities	300.46	395.97	696.43	408.11	658.50	1,066.61
Other financial liabilities	56.67	80.06	136.73	121.09	188.93	310.02
Non-financial liabilities						
Current tax liabilities (net)	–	1.39	1.39	–	7.57	7.57
Provisions	0.95	–	0.95	1.80	–	1.80
Other non-financial liabilities	3.91	0.46	4.37	2.71	0.04	2.75
Total Liabilities	**3,247.33**	**1,802.66**	**5,049.99**	**3,987.69**	**2,627.69**	**6,615.38**
Net	**(2.17)**	**2,031.59**	**2,029.42**	**330.03**	**1,796.92**	**2,126.95**

Notes:

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to ₹74.27 crore as at March 31, 2026 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

48 A) List of related parties and relationship:

Name of related parties by whom control is exercised :

Ultimate Holding company	Edelweiss Financial Services Limited
Holding company	Edel Finance Company Limited (w.e.f. March 28, 2024)
Fellow subsidiaries	Edelweiss Rural and Corporate Services Limited
(with whom transactions have taken place)	Edelweiss Retail Finance Limited
	Nido Home Finance Ltd
	ECap Equities Limited
	Edelweiss Asset Management Limited
	Edelweiss Life Insurance Company Limited
	Zuno General Insurance Company Limited
	Edelweiss Asset Reconstruction Company Limited
	Edel Investments Limited
	EAAA India Alternatives Limited
	Edelweiss Global Wealth Management Limited
	Edelcap Securities Limited
	Edelweiss Comtrade Limited
	EdelGive Foundation
	Edelweiss Investments Advisors Limited
	Ecap Securities & Investments Limited
	Edelweiss Private Equity Tech Fund
	Edelweiss Value and Growth Fund
	Sekura India Management Limited

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Key management personnel	Mr. Rashesh Shah (Chairman)
	Mr. Ajay Khurana (Appointed Managing Director wef April 01, 2025)
	Mr. Phanindranath Kakarla (Managing Director W.e.f 01 Febuary 2023 & Resigned wef March 31, 2025)
	Ms. Kashmira Mathew (Executive Director w.e.f 04 Jan 2024)
	Mr. Aalok Gupta (Independent Director)
	Mr. Atul Pande (Independent Director)
	Mr. Sameer Kaji (Independent Director)
	Mr. Shiva Kumar (Independent Director)
	Mr. Pandiyan Kumaresan – (Appointed Nominee Director wef May 23, 2025)
	Ms. Ananya Suneja (Appointed Additional (Non-Executive) Director) wef Feb 4, 2026
	Mr. Ravi Rajagopal (Nominee Director w.e.f. August 10,2023 & Resigned wef May 21, 2024)
	Mr. Mehernosh Tata (Executive Director Wef 01 Feb 2023 & Resigned wef Oct 22, 2024)
	Mr. Biswamohan Mahapatra (Independent Director) Resigned wef August 09, 2024
	Mr. Sandeep Agarwal (Chief Financial Officer)
	Ms. Inara Wadhwania (Company Secretary)

48 B Transcations and balances with related parties

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current account transactions		
Loans taken from (Maximum transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	200.00
Edelweiss Financial Services Limited	100.00	–
Ecap Equities Limited	–	132.00
Loans taken from (Sum of transaction during the year)		
Edelweiss Rural & Corporate Services Limited		200.00
Edelweiss Financial Services Limited	100.00	–
Ecap Equities Limited	–	192.00
Loan repaid to (Maximum transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	200.00
Ecap Equities Limited	–	192.00
Loan repaid to (Sum of transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	200.00
Ecap Equities Limited	–	192.00
Loans given to (Maximum transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	150.00
Ecap Equities Limited	–	50.00
Edelweiss Investment Adviser Limited	100.00	–
Ecap Sec & Investment ltd	–	20.00
Loans given to (Sum of transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	225.00
Ecap Equities Limited	–	100.00
Edelweiss Investment Adviser Limited	100.00	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Ecap Sec & Investment ltd	–	20.00
Loans repaid by (Maximum transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	225.00
Ecap Equities Limited	–	100.00
Ecap Sec & Investment ltd	–	150.00
Loans repaid by (Sum of transaction during the year)		
Edelweiss Rural & Corporate Services Limited	–	225.00
Ecap Equities Limited	–	100.00
Ecap Sec & Investment ltd	–	320.00
Redemption of Non Convertible Debentures / benchmark linked debentures		
Edel Finance Company Limited	5.60	–
Edelweiss Rural & Corporate Services Limited	–	150.25
Ecap Equities Limited	2.05	3.56
Edelweiss Life Insurance Company Limited	14.00	14.68
Secondary market transactions		
Purchases of securities from		
Ecap Equities Limited	–	52.85
Edel Finance Company Limited	211.94	436.05
Purchases of Commercial Paper		
Ecap Equities Limited	–	75.00
Sale/ Redemption of securities / Fund to/AIF		
Edelweiss Securities and Investments Private Limited	211.94	–
Ecap Equities Limited	266.32	75.00
Security deposits paid		
Edelweiss Rural & Corporate Services Limited	1.86	–
Dividend Income Received		
Edelweiss Asset Management Limited	0.45	
Purchase of loan and credit substitute from (Including assignment/ Securitisation)”		
Nido Home Finance Limited	–	42.00
Income		
Commission and brokerage received from		
Zuno General Insurance Company Limited	2.76	0.07
Cost reimbursement received from		
Nido Home Finance Limited	4.31	0.67
Interest income on receivable		
Edelweiss Rural & Corporate Services Limited	–	2.34
Ecap Equities Limited	–	5.20
Edelweiss Financial Services Limited	–	15.54
Interest income on loans given to		
Edelweiss Investment Adviser Limited	3.64	–
Edelweiss Rural & Corporate Services Limited	–	4.18

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Ecap Equities Limited	–	2.52
Ecap Sec & Investment ltd	–	17.37
Interest received on securities and commercial paper		
Edelweiss Financial Services Limited	0.03	0.03
Edel Finance Company Limited	34.98	16.42
Nido Home Finance Limited	0.02	0.02
Edelweiss Rural & Corporate Services Limited	–	1.37
Ecap Equities Limited		3.62
Shared premises cost received from		
Nido Home Finance Limited	0.46	0.61
Edelweiss Asset Management Limited	4.39	5.60
Management Fees Income		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	–	0.06
Edelweiss Life Insurance Company Limited	0.17	0.88
Edel Finance Company Limited	0.37	2.89
Ecap Sec & Investment ltd	–	24.58
Ecap Equities Limited	25.71	5.78
Edelweiss Securities and Investments Private Limited	1.66	–
Edelweiss Investment Adviser Limited	23.44	33.88
Reimbursement of Realised Loss on Security Receipts		
Edelweiss Financial Services Limited	–	181.22
Expense		
Advisory fees paid to		
Sekura India Management Limited	–	0.79
Nido Home Finance Limited	0.39	0.51
Corporate guarantee support fee paid to		
Ecap Equities Limited	0.23	0.22
Edelweiss Rural & Corporate Services Limited	0.23	0.23
Commission and brokerage paid to		
Edel Investments Limited	0.44	1.46
Cost reimbursement paid to		
Ecap Equities Limited	0.43	0.46
Edelweiss Rural & Corporate Services Limited	5.00	6.57
Edelweiss Financial Services Limited	–	0.03
Nido Home Finance Limited	0.08	0.03
Edel Investments Limited	0.31	0.48
Corporate Social responsibility expenses paid to		
EdelGive Foundation	0.24	0.26
Enterprise Service charge paid to		
Edelweiss Rural & Corporate Services Limited	–	0.09
Ecap Equities Limited	1.77	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest paid on loan		
Edelweiss Rural & Corporate Services Limited	–	0.46
Nido Home Finance Limited	–	–
Edelweiss Financial Services Limited	0.43	–
Ecap Equities Limited	–	0.72
Management Fees Paid to		
Edelweiss Asset Reconstruction Company Limited	32.28	38.59
Rent/Society Maintenance Charges Paid to		
Edelweiss Life Insurance Company Limited	3.48	3.18
Ecap Equities Limited	2.85	2.87
Edelweiss Rural & Corporate Services Limited	0.16	0.15
Shared premises cost paid to		
Nido Home Finance Limited	3.49	3.42
Edelweiss Rural & Corporate Services Limited	0.60	0.52
Interest expenses on non-convertible debentures		
Edelweiss Rural & Corporate Services Limited	0.10	0.10
Edel Finance Company Limited	0.69	17.41
Ecap Equities Limited	0.46	0.67
Edelweiss Life Insurance Company Limited	0.65	5.21
ESOP cost reimbursement		
Edelweiss Financial Services Limited	(0.42)	(2.27)
Remuneration paid to		
Phanindranath Kakarla	–	3.51
Deepak Mittal	–	2.60
Kashmira Mathew	2.25	1.99
Inara Wadhwaniya	0.25	0.25
Sandeep Agarwal	1.38	1.27
Mehernosh Tata	–	2.27
Ajay K Khurana	1.93	
Sitting fees/Commission paid		
Biswamohan Mahapatra	–	0.18
Shiva Kumar	0.25	0.30
Aalok Gupta	0.28	0.26
Sameer A. Kaji	0.30	0.29
Atul Pande	0.26	0.27
P KUMARESAN	0.07	–
Assets		
Interest accrued on loans given to		
Edelweiss Investment Adviser Limited	1.04	–
Interest accrued on securities		
Edel Finance Company Limited	17.20	17.62
Nido Home Finance Limited	0.01	0.01

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Security Deposit held by		
Ecap Equities Limited	2.05	2.05
Edelweiss Rural & Corporate Services Limited	0.05	0.05
Edelweiss Life Insurance Company Limited	1.44	1.45
Investment in Securities		
Edelweiss Private Equity Tech fund	–	33.04
Edelweiss Value and Growth Fund	–	93.36
Loan given outstanding		
Edelweiss Investment Adviser Limited	100.00	–
Non convertible debentures held for trading		
Nido Home Finance Limited	0.18	0.18
Edel Finance Company Limited	351.79	358.66
Edelweiss Financial Services Limited	0.27	0.25
Trade receivables		
Ecap Sec & Investment Ltd.	–	13.09
Edelweiss Life Insurance Company Limited	0.13	–
Edel Finance Company Limited	0.06	3.12
Zuno General Insurance Company Limited	1.27	0.02
Edelweiss Asset Management Limited	0.11	–
Edelweiss Rural & Corporate Services Limited	0.00	–
Edelweiss Financial Services Limited	–	1.29
Ecap Equities Limited	7.11	4.42
Nido Home Finance Limited	0.78	0.02
Edelweiss Investment Adviser Limited	10.53	16.46
Edel Investments Limited	0.00	0.20
Edelweiss Asset Reconstruction Company Limited	–	0.06
Purchase of property, plant and equipment		
Ecap Equities Limited	0.00	–
Edelcap Securities Limited	0.02	–
Edel Investments Limited	0.00	–
Sale of property, plant and equipment		
Nido Home Finance Limited	–	0.03
Edelweiss Rural & Corporate Services Limited	93.58	–
Liabilities		
Security deposits received from		
Edelweiss Asset Management Limited	–	1.86
Non convertible debentures held by		
Edelweiss Rural & Corporate Services Limited	1.03	1.03
Edelweiss Life Insurance Company Limited	–	14.00

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Ecap Equities Limited	4.90	6.79
Edel Finance Company Limited	7.10	7.10
Interest accrued on loan taken from		
Edelweiss Financial Services Limited	0.38	–
Interest Accrued on bonds/debenture		
Edelweiss Rural & Corporate Services Limited	0.00	–
Edel Finance Company Limited	0.18	0.18
Ecap Equities Limited	0.02	0.03
Interest accrued but not due on non convertible debentures held by		
Edelweiss Life Insurance Company Limited	–	26.94
Loan taken from		
Edelweiss Financial Services Limited	100.00	–
Trade payables		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	–	0.05
Edelweiss Rural & Corporate Services Limited	0.97	1.71
Nido Home Finance Limited	0.59	0.58
Edelweiss Asset Reconstruction Company Limited	0.71	–
Ecap Equities Limited	0.32	–
Sekura India Management Limited	–	0.31
Edelweiss Life Insurance Company Limited	0.32	0.01
Edelweiss Financial Services Limited	0.02	–
Edel Investments Limited	0.10	–
Other Payables		
Edelweiss Financial Services Limited	0.02	0.15
Nido Home Finance Limited	–	0.05
Edelweiss Rural & Corporate Services Limited	–	0.22
Edelweiss Life Insurance Company Limited	–	0.00
Corporate guarantee taken from		
Edelweiss Financial Services Limited	49.58	100.00
Ecap Equities Limited	22.34	22.01
Edelweiss Rural & Corporate Services Limited	23.17	22.74

Notes

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
2. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
3. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2026 and 31 March 2025.
4. All the transactions entered with related parties are at arm's length price

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Regulatory capital

According to RBI circular "RBI/DOR/2025-26/345 DOR.CAP.REC.264/21-01-002/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025" issued on November 28, 2025 read with cirecular "RBI/DOR/2025-26/359 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" issued on November 28, 2025.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Capital Funds		
Net owned funds (Tier I capital)	1,084.08	802.45
Tier II capital	1.10	322.09
Total capital funds	1,085.17	1,124.54
Total risk weighted assets/ exposures	3,634.26	3,447.26
% of capital funds to risk weighted assets/exposures:		
Tier I capital	29.83%	23.28%
Tier II capital	0.03%	9.34%
Total capital Funds	29.86%	32.62%

* The figures for the current financial year represent those of the merged entity, whereas the figures for the previous financial year are as reported in the audited financial statements of the Company without giving effect to the merger. Accordingly, the figures for the current year are not comparable with those of the previous year.

– No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.

50. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: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.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.11 for more details on fair value hierarchy

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
On equity and index linked derivatives	0.02	–	–	0.02
Interest rate derivatives	–	31.93	–	31.93
Embedded derivatives in market-linked debentures	–	–	–	–
Total derivative financial instruments - A	**0.02**	**31.93**	**–**	**31.95**
Investments				
Government debt securities	1,792.58	–	–	1,792.58
Other debt securities	–	369.46	–	369.46
Mutual fund units	34.31	–	–	34.31
Security receipts	–	–	1,500.27	1,500.27
Investment in Pass through Certificates (PTC)	–	–	28.08	28.08
Total investments measured at fair value - B	**1,826.89**	**369.46**	**1,528.35**	**3,724.70**
Loans (C)				
– classified under FVOCI	–	–	314.77	314.77
Total (A+B+C)	**1,826.91**	**401.39**	**1,843.12**	**4,071.42**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
On equity and index linked derivatives	–	–	–	–
Interest rate derivatives	–	25.77	–	25.77
Embedded derivatives in market-linked debentures	–	–	–	–
	–	**25.77**	**–**	**25.77**

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
On equity and index linked derivatives	–	–	–	–
Interest rate derivatives	–	0.98	–	0.98
Embedded derivatives in market-linked debentures	–	–	–	–
Total derivative financial instruments - A	**–**	**0.98**	**–**	**0.98**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Investments				
Government debt securities	2,762.45	–	–	2,762.45
Other debt securities	–	376.73	–	376.73
Mutual fund units	–	–	–	
Equity instruments	–	–	19.59	19.59
Security receipts	–	–	2,277.96	2,277.96
Units of Alternative Investment Fund / Venture Capital Fund"	–	–	196.19	196.19
Compulsary Convertible Preference Shares	–	–	–	–
Investment in Pass through Certificates (PTC)	–	–	28.08	28.08
Total investments measured at fair value - B	**2,762.45**	**376.73**	**2,521.82**	**5,661.00**
Loans (C)				
- classified under FVOCI	–	–	410.45	410.45
Total (A+B+C)	**2,762.45**	**377.70**	**2,932.27**	**6,072.43**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
On equity and index linked derivatives	–	–	–	–
Interest rate derivatives	–	4.32	–	4.32
Embedded derivatives in market-linked debentures	–	–	–	–
	–	**4.32**	**–**	**4.32**

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market As at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded company has valued the debts on the basis of valuation report from the registered valuer.

Security receipts

The market for these securities is not active. Investments in SRs issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC and as per RBI guidelines. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level.

Alternative Investment Fund / Venture Capital Fund

Units held in Alternative Investment Fund /Venture Capital Fund are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. company classify the Interest rate swaps as level 2 instruments.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 3 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1

Loans Measured at FVOCI

Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

E. **There have been no transfers between levels during the year ended March 31, 2026 and March 31, 2025.**

F. **The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy of financial assets.**

Financial year ended March 31, 2026	Equity, CCPS and PTC	Security receipts-Measured at FVTOCI Equity	Units of Alternative Investment Fund / Venture Capital Fund	Loans-Measured at FVOCI	Total
Investments - at April 1, 2025	**47.66**	**2,277.96**	**196.19**	**410.45**	**2,932.26**
Reclassified from Amortised Cost	–	–	–	–	–
Purchase/Accrued Interest	–	8.93	0.36	49.62	58.90
Sale during the year	(28.88)	(524.95)	(237.44)	–	(791.27)
Redemption during the year	–	(185.84)	(6.06)	(147.52)	(339.41)
Profit/(loss) for the year	9.29	(75.83)	46.95	2.22	(17.37)
Investments - at March 31, 2026	**28.08**	**1,500.27**	**–**	**314.77**	**1,843.12**
Unrealised gain/(Loss) related to balances held at the end of the year	–	(1,834.05)	–	(7.66)	(1,841.71)

Financial year ended March 2025	Equity and CCPS	Security receipts-Measured at FVTOCI Equity	Units of Alternative Investment Fund / Venture Capital Fund	Loans-Measured at FVOCI	Total
Investments - at April 1, 2024	**43.89**	**3,976.82**	**175.20**	**508.86**	**4,704.77**
Reclassified from Amortised Cost	–	–	–	–	–
Purchase/Accrued Interest	–	–	2.43	60.59	63.02
Sale during the year	(11.15)	–	–	–	(11.15)
Redemption during the year	–	(263.88)	(4.14)	(186.34)	(268.02)
Profit/(loss) for the year	14.92	(1,434.98)	22.71	27.33	(1,370.02)
Investments - at March 31, 2025	**47.66**	**2,277.96**	**196.19**	**410.45**	**2,932.26**
Unrealised gain/(Loss) related to balances held at the end of the year	11.74	(2,386.31)	15.90	(14.52)	(2,373.19)

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy of financial liabilities.

	Embedded Options		
Financial year ended March 31, 2026	**Assets**	**Liabilities**	**Net Balance**
As at April 1, 2025	–	–	–
Issuances	–	–	–
Settlements	–	–	–
Changes in fair value recognised in profit or loss	–	–	–
As at March 31, 2026	**–**	**–**	**–**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Financial year ended March 2025	Embedded Options		
	Assets	Liabilities	Net Balance
As at April 1, 2024	–	–	–
Issuances	–	–	–
Settlements	–	–	–
Changes in fair value recognised in profit or loss	–	–	–
As at March 31, 2025	**–**	**–**	**–**

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts, Units of AIF Fund and Real Estate Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on March 31, 2026	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	1,500.27	Net asset value method and as per RBI guidelines	Expected future cash flows	1,500.27	5% increase in Expected future Cash flow	75.01	5% Decrease in Expected future Cash flow	(75.01)
Pass through Certificates	28.08	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	28.08	5% increase in Expected future Cash flow	1.40	5% decrease in Expected future Cash flow	(1.40)
Loans	314.77	Discounted Cash flow. The present value of expected future economic benefits to be derived from the loans	Expected future cash flows	15.00%	0.25% increase in Risk-adjusted discount rate	0.79	0.25% decrease in Risk-adjusted discount rate	(0.79)

Type of Financial Instruments	Fair value of asset as on 31 March 2025	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,277.96	Net asset value method	Expected future cash flows	2277.96	5% increase in NAV	113.90	5% Decrease in NAV	(113.90)
Pass throgh Certificates	28.08	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	28.08	5% increase in Expected future Cash flow	1.40	5% decrease in Expected future Cash flow	(1.40)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Type of Financial Instruments	Fair value of asset as on 31 March 2025	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Loans	410.45	Discounted Cash flow. The present value of expected future economic benefits to be derived from the loans	Expected future cash flows	14.75%	0.25% increase in Risk-adjusted discount rate	1.03	0.25% decrease in Risk-adjusted discount rate	(1.03)
Units of Alternative Investment Fund / Venture Capital Fund	196.19	Net Asset approach	Fair value of underlying investments	196.19	5% Increase in Fair value of Underlying Investment	9.81	5% Increase in Fair value of Underlying Investment	(9.81)
Equity Shares	19.59	Comparable market multiple method	Expected future cash flows	19.59	5% increase in Expected future Cash flow	0.98	5% increase in Expected future Cash flow	(0.98)

H. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables and trade payables as on March 31, 2026 approximately equivalent to the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2026	Carrying Value	Fair value			Total Net Balance
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	1,408.29	–	–	1,597.45	1,597.45
Financial Liabilities					
Debt securities	1,751.21	–	1,767.54	–	1,767.54
Borrowings (other than debt securities)	2,329.25	–	–	2,329.25	2,329.25
Subordinated Liabilities	696.43	–	738.15	–	738.15
Off balance-sheet items					
Undrawn commitments	164.96	–	–	164.96	164.96

As at March 31, 2025	Carrying Value	Fair value			Total Net Balance
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	801.20	–	–	867.78	867.78
Financial Liabilities					
Debt securities	1,987.11	–	2,071.87	–	2,071.87
Borrowings (other than debt securities)	3,062.45	–	–	3,062.45	3,062.45
Subordinated Liabilities	1,066.61	–	1,084.46	–	1,084.46
Off balance-sheet items					
Undrawn commitments	184.88	–	–	184.88	184.88

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

I. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Off balance sheet exposures are disbursemnets which are expected to disburse after the reporting date hence the fair value is same as carrying value.

51. Risk Management

51. A Introduction and risk profile

Risk is an integral element of the Company's operations. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. Risk management is the process of identifying, assessing, and prioritizing risks followed by a coordinated efforts to minimize, monitor, and control the likelihood or impact of unforeseen events. It outlines the specific risks the organization faces, their potential impact, and the likelihood of their occurrence.

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
3) Firmwide structures for risk governance

By understanding its risk profile, the company make informed decisions, allocate resources effectively, and implement appropriate risk management strategies to protect its assets, reputation, and long-term viability.

51. B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit 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. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

51. C Risk mitigation and risk culture

The Company's business processes are designed to ensure full independence of functions and a clear segregation of responsibilities. Our credit appraisal and credit control processes, along with a centralized operations unit and an independent audit unit, provide comprehensive checks to ensure compliance with established policies and approve loans at the transaction level. Additionally, our risk management processes and policies include multiple layers of verification and oversight. The head of our business or operations regularly monitors these key processes. Furthermore, our loan approval, administration, collection, and enforcement procedures are specifically designed to minimize delinquencies and maximize recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information. The risk mitigation involves minimizing the effects of risks to an acceptable level, ensuring the organization can continue to operate smoothly despite uncertainties.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

51. D Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.1	**Credit risk** Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet their financial obligations as per the agreed terms. It refers to the risk that a borrower or counterparty may default on their debt, either by failing to make scheduled payments or by not fulfilling other contractual obligations, leading to financial losses for the lender or investor.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
51.D.2	**Liquidity risk** Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required. Relying on a limited number of funding sources increases liquidity risk.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio,Current Ratio, Quick Ratio, Cash Ratio. Measures the difference between available liquid assets and short-term liabilities, helping identify potential liquidity shortages and monitoring structural liquidity positions. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company Maintaining a buffer of liquid assets (such as cash or marketable securities) to ensure the company can meet its short-term obligations without resorting to debt.
51.D.3	**Market risk** Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading. Changes in stock prices can affect investments and portfolios that are exposed to the equity market. Rising inflation erodes the purchasing power of money, affecting both costs and returns on investments.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee Create stress testing tools which simulates extreme market scenarios (e.g., sharp interest rate hikes, economic crashes) to assess the portfolio's response.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.4	**Operational Risk** Operational Risk is the potential for loss due to failures in internal processes, systems, human errors, or external events. It encompasses a wide range of risks, including technology breakdowns, fraud, legal issues, supply chain disruptions, and other operational failures that may impact a company's ability to achieve its objectives.	Arises from Failures or inefficiencies in business processes, such as errors in data entry, fraud, or poor decision-making. Breakdowns, malfunctions, or cyberattacks on IT systems, software failures, or data breaches. Non-compliance with laws and regulations, or legal disputes that lead to financial or reputational damage. Human errors, negligence, or intentional misconduct (e.g., fraud, employee misconduct, or lack of training).	Measured by maintaining proper KRI (Key Risk Indicators) which track specific metrics such as fraud instances, system downtimes, etc to monitor risk exposure. Performing RCSA (Risk and Control Self Assessment) which involves departments assessing their own risks and controls, identifying potential operational risks, and evaluating the effectiveness of current controls. Internal audits are conducted to assess the effectiveness of operational processes, controls, and compliance with internal policies and external regulations.
51.D.5	**Outsourcing Risk** Outsourcing Risk refers to the risk of financial loss, operational disruption, reputational damage, or regulatory non-compliance arising from the Company's reliance on third-party service providers to perform activities that are otherwise conducted internally.	Service provider failure to meet agreed service levels, timelines, or quality standards. Over-dependence on a single vendor, leading to concentration or continuity risks. Inadequate due-diligence, contract management, or unclear responsibilities. Weak cybersecurity or data protection practices at the vendor's end. Operational lapses, including process gaps, staff issues, or technology failures at third-party/vendor locations. Non-compliance by the vendor with regulatory guidelines, resulting in legal or supervisory implications for the Company.	Robust vendor due-diligence before onboarding, covering financial, operational, compliance parameters. Clearly defined contracts, specifying responsibilities, performance standards, data handling protocols, audit rights, and exit clauses. Business continuity plan to oversight and to ensure vendors can maintain operations during disruptions. Centralized vendor management function to enforce uniform policies, regulatory compliance, and risk-based monitoring.
51.D.6	**Information Security Risk** Information Security Risk refers to the potential for unauthorized access, misuse, disruption, modification, or loss of the Company's information assets—including customer data, transactional records, and internal systems—due to internal vulnerabilities or external threats. This risk encompasses cyberattacks, data breaches, system failures, and technology misuse that may result in financial loss, regulatory penalties, operational disruption, and reputational damage.	Cyber threats such as malware, ransomware, phishing, and denial-of-service attacks. Unauthorized access to systems, networks, or confidential information by internal or external parties. Weaknesses in IT infrastructure, outdated systems, or inadequate security configurations. Human error, including mishandling of sensitive information or accidental data exposure. Business continuity events, such as system outages or technology disruptions impacting critical operations.	Cybersecurity controls, including firewalls, intrusion detection/prevention systems, endpoint protection, encryption, and secure authentication protocols. Continuous monitoring of networks and systems through security operations center (SOC) tools, threat detection mechanisms, and real-time alerts. Employee awareness and training programs to strengthen cyber hygiene and reduce human-related vulnerabilities. Incident response and escalation mechanisms to ensure timely containment, investigation, and reporting of security events. Regular audits and independent reviews to identify gaps and ensure compliance with evolving security standards. Business continuity and disaster recovery frameworks to safeguard critical operations in the event of cyber or system disruptions.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

51. D. 1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans.The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

Credit risk can arise from various sources, including borrower default, credit rating downgrades, a decline in collateral value, concentration of exposure to a single borrower or sector, economic downturns, and counterparty risk in derivative contracts.

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 of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored.The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has derived an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS including qualitative factor of an account or of pool of retail loan portfolio. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing	–	–
High grade	0 DPD & 1 to 30 DPD	Stage I
Standard grade	31 to 90 DPD	Stage II
Non-performing	–	–
Individually impaired	90+ DPD*	Stage III

*Classified as non performing asset (NPA) as per RBI guidelines

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line + Interest Accrual for one year

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort-based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past years.

Risk Concentration

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

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

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2026

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail	Total
Financial assets								
Cash and cash equivalents	–	407.17	–	–	–	–	–	407.17
Bank balances other than cash and cash equivalents	–	40.38	–	–	–	–	–	40.38
Derivative financial instruments	–	31.95	–	–	–	–	–	31.95
Trade receivables	–	21.47	–	–	–	–	–	21.47
Loans	–	–	36.82	374.68	1,048.04	230.37	33.15	1,723.06
Investments	1,792.57	403.77	–	–	1,381.98	88.53	57.84	3,724.70
Other financial assets	–	241.78	–	–	–	–	–	241.78
	1,792.57	**1,146.52**	**36.82**	**374.68**	**2,430.02**	**318.90**	**90.99**	**6,190.51**

As at March 31, 2025

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	–	817.46	–	–	–	–	–	817.46
Bank balances other than cash and cash equivalents	–	39.53	–	–	–	–	–	39.53
Derivative financial instruments	–	0.98	–	–	–	–	–	0.98
Trade receivables	–	38.32	–	–	–	–	–	38.32
Loans	–	0.00	7.27	146.58	748.18	111.19	198.43	1,211.65
Investments	2,762.47	462.85	–	–	2,073.87	301.96	59.86	5,661.00
Other financial assets	–	44.39	–	–	–	–	–	44.39
	2,762.47	**1,403.54**	**7.27**	**146.58**	**2,822.04**	**413.14**	**258.30**	**7,813.33**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

Maximum exposure to credit risk

	As at March 31, 2026	As at March 31, 2025	Principal type of collateral
Financial Assets			
Cash and cash equivalents	407.17	817.46	
Bank balances other than cash and cash equivalents	40.38	39.53	
Derivative financial instruments	31.95	0.98	
Trade receivables*	21.47	38.32	
Loans**			
Corporate credit	423.28	424.97	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	1,345.27	838.32	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	3,724.70	5,661.00	
Other financial assets	241.78	44.40	
	6,236.00	**7,864.98**	
Loan Commitments	164.96	5.31	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

*These are receivables mainly from Group. Carrying minimum risk.

**Gross value of loans considered

Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk As at March 31, 2026

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	–	–	–	–
Retail Credit	38.91	17.69	21.22	100.42
Trade Receivables	–	–	–	–
	38.91	**17.69**	**21.22**	**100.42**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Maximum exposure to credit risk As at March 31, 2025

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	–	–	–	–
Retail Credit	33.41	13.73	19.68	63.29
Trade Receivables	–	–	–	–
	33.41	**13.73**	**19.68**	**63.29**

51.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 8-10% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper , ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

Liquidity Cushion:	As at March 31, 2026	As at March 31, 2025
Government Debt Securities*	1,792.58	2,762.45
Mutual Fund Investments	34.31	–
Equity Shares-Quoted	–	0.00
Total Liquidity cushion	**1,826.89**	**2,762.46**

* Government debt securities are hypothicated against the Tri party REPO

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2026	As at March 31, 2025
Committed Lines from Banks	1.09	56.12

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities As at:

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2026

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	407.17	–	–	–	–	407.17
Bank balances other than cash and cash equivalents	–	6.39	26.04	7.79	–	40.22
Derivative financial instruments	–	31.95	–	–	–	31.95
Trade receivables	–	21.47	–	–	–	21.47
Loans	–	422.18	217.37	842.17	541.48	2,023.20
Investments	–	2,212.96	41.19	1,442.46	28.08	3,724.69
Other financial assets	–	0.13	237.04	–	4.61	241.78
Total undiscounted financial assets	**407.17**	**2,695.08**	**521.64**	**2,292.42**	**574.17**	**6,490.48**
Financial Liabilities						
Derivative financial instruments	–	25.77	–	–	–	25.77
Trade payables	–	103.89	–	–	–	103.89
Debt securities	–	225.28	578.89	1,223.54	–	2,027.71
Borrowings (other than debt securities)	–	1,655.72	280.15	392.76	–	2,328.63
Subordinated Liabilities	–	335.38	58.19	404.51	–	798.08
Other financial liabilities	–	32.04	24.63	63.53	12.72	132.92
Total undiscounted financial liabilities	**–**	**2,378.08**	**941.86**	**2,084.34**	**12.72**	**5,417.00**
Total net financial assets / (liabilities)	**407.17**	**317.00**	**(420.22)**	**208.08**	**561.45**	**1,073.48**

Current year note:

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to ₹ 74.27 crore As at March 31, 2026 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

As at March 31, 2025

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	817.46	–	–	–	–	817.46
Bank balances other than cash and cash equivalents	–	6.29	30.54	2.70	–	39.53
Derivative financial instruments	–	0.98	–	–	–	0.98
Trade receivables	–	38.32	–	–	–	38.32
Loans	–	251.07	235.96	736.16	521.93	1,745.12
Investments	–	2,905.71	152.19	2,378.82	224.28	5,661.00
Other financial assets	–	11.51	12.57	0.92	19.40	44.40
Total undiscounted financial assets	**817.46**	**3,213.88**	**431.26**	**3,118.59**	**765.61**	**8,346.81**
Financial Liabilities						
Derivative financial instruments	–	4.32	–	–	–	4.32
Trade payables	–	172.75	–	–	–	172.75
Debt securities	–	25.76	396.85	1,861.82	–	2,284.43
Borrowings (other than debt securities)	–	2,561.45	247.82	252.54	–	3,061.81
Subordinated Liabilities	–	102.63	49.78	1,028.09	45.00	1,225.50
Other financial liabilities	–	50.76	70.33	99.96	88.98	310.02
Total undiscounted financial liabilities	**–**	**2,917.67**	**764.78**	**3,242.41**	**133.98**	**7,058.83**
Total net financial assets / (liabilities)	**817.46**	**296.21**	**(333.52)**	**(123.82)**	**631.63**	**1,287.97**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Previous year note:

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to ₹ 208.70 crore As at March 31, 2025 will be repaid on their renewal dates and accordingly reflected the same in the “within 12 months” bucket.

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company’s commitments.

As at March 31, 2026

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	–	164.96	–	–	–	164.96
Estimated amount of contracts capital account	–	0.48	–	–	–	0.48
Others	–	–	–	–	–	–
	–	**165.44**	**–**	**–**	**–**	**165.44**

As at March 31, 2025

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	–	5.31	–	–	–	5.31
Estimated amount of contracts capital account	–	0.00	–	–	–	0.00
Others	–	–	–	–	179.57	179.57
	–	**5.31**	**–**	**–**	**179.57**	**184.88**

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

51.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total Market risk exposure

Particulars	As at March 31, 2026			As at March 31, 2025		
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk
Financial Assets						
Cash and cash equivalents	407.17	–	407.17	817.46	–	817.46
Bank balances other than cash and cash equivalents	40.38	–	40.38	39.53	–	39.53
Derivative financial instruments	31.95	31.95	–	0.98	0.98	–
Trade receivables	21.47	–	21.47	38.32	–	38.32
Loans	1,723.06	–	1,723.06	1,211.65	–	1,211.65
Investments	3,724.70	2,196.35	1,528.35	5,661.01	2,998.86	2,662.15
Other financial assets	241.78	–	241.78	44.39	–	44.39
Total Assets	**6,190.51**	**2,228.30**	**3,962.21**	**7,813.34**	**2,999.84**	**4,813.51**
Financial Liabilities						
Derivative financial instruments	25.77	25.77	–	4.32	4.32	–
Trade payables	103.89	–	103.89	172.75	–	172.75
Debt securities	1,751.21	–	1,751.21	1,987.11	–	1,987.11
Borrowings (other than debt securities)	2,329.25	–	2,329.25	3,062.45	–	3,062.45
Subordinated Liabilities	696.43	–	696.43	1,066.61	–	1,066.61
Other financial liabilities	136.73	–	136.73	310.02	–	310.02
Total Liabilities	**5,043.28**	**25.77**	**5,017.51**	**6,603.26**	**4.32**	**6,598.94**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non–trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at 31 March 2026 and at 31 March 2025

Interest rate sensitivity

As at March 31, 2026

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(1.38)	–	25	1.38	–
Interest Rate Swaps	25	0.84	–	25	(0.84)	–
Floating rate loans	25	2.64	–	25	(2.64)	–
Government securities	25	4.48	–	25	(4.48)	–
Corporate debt securities	25	0.92	–	25	(0.92)	–

As at March 31, 2025

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(0.97)	–	25	0.97	–
Interest Rate Swaps	25	2.00	–	25	(2.00)	–
Floating rate loans	25	1.01	–	25	(1.01)	–
Government securities	25	6.91	–	25	(6.91)	–
Corporate debt securities	25	0.54	–	25	(0.54)	–

Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.

As at March 31, 2026

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	0.00	–	5	(0.00)	–
Equity instruments	5	–	–	5	–	–
Interest rate futures	5	(17.77)	–	5	17.77	–
Mutual fund units	5	1.72	–	5	(1.72)	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

As at March 31, 2025

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	0.04	–	5	(0.04)	–
Equity instruments	5	–	–	5	–	–
Interest rate futures	5	(15.91)	–	5	15.91	–
Mutual fund units	5	–	–	5	–	–

51.D.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be decreased by ₹ 3.07 crores (previous year ₹ 1.78 crores)

51 E. Additional Regulatory disclosure

(i) The title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(ii) There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Company has been sanctioned working capital limits during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are in agreement with the books of account of the company.

(iv) Relationship with Struck off Companies

Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2026	Balance outstanding as on March 31, 2025	Relationship with the Struck off company, if any, to be disclosed
Glossy Creations Private Limited	Receivable	–	0.32	Customer
Aditi Financial Services	Payable	–	0.00	Vendor
Suraj Petroleum	Receivable	–	0.29	Customer
Shri Sham Fisheries	Receivable	–	0.04	Customer

(v) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vi) Compliance with number of layers of companies

Being a non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

(vii) The company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

(viii) Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ix) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(x) The Company has not traded or invested in crypto currency or virtual currency during the financial year 2025-2026

51 F. Income Tax

Pursuant to the Income Tax search conducted during March 2023 at the office of the company, notices were received for various years by it in relation to the proceedings. The Company had duly responded to all the notices and provided all the requisite details and clarification to the Income Tax Authorities ('ITA'). Subsequently, Assessment orders / demand notices were issued to the company by the ITA against which the Company has filed appeal before Commissioner of Income Tax (Appeals) and rectification applications.

The Company believes that there will not be any significant impact on its financial statements or results in this regard.

51 G. Insurance Commission Income

Particulars	As at March 31, 2026	As at March 31, 2025
Commission Income - Life Insurance	1.57	0.00
Commission Income - General Insuarnce	6.10	0.36

51 H. During the year company has complied with all the covenants related to Debt securities ,Borrowings (other than debt securities) and Subordinated liabilities

52. Regulatory disclosures - RBI

In the terms of RBI circular – "RBI/DoR/2025-26/355 DoR.LRG.REC.No.274/13-10-004/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025" dated November 28, 2025.

Qualitative Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the liquidity position in a stress scenario. Reserve Bank of India introduced LCR requirement for NBFCs having asset size of ₹ 5,000 crore and above. LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA refers to the category of liquid assets that can be readily sold or immediately converted into cash at a little loss of value or used as collateral to obtain funds in a range of stress scenarios. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

The Company has adopted the liquidity risk management framework as required under RBI guidelines. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee. Liquidity risk refers to the risk that the Company may be unable to service its contractual or contingent obligations or support its committed disbursements due to lack of adequate funding or liquidity. This risk is measured and managed by setting limits on structural liquidity gaps across various time-buckets and on relevant liquidity stock ratios. The Company manages liquidity risk through periodic stress testing and maintains a substantial liquidity buffer designed to withstand a 30-day survival period under a severe stress scenario.This buffer includes High-Quality Liquid Assets, fixed deposits and mutual funds. The Company continuously monitors its Liquidity Coverage Ratio (LCR) above regulatory minimum requirements and uses Early Warning Indicators (EWIs) under its Contingency Funding Plan to proactively identify and address potential liquidity challenges. The Company maintains a well-diversified funding mix with an adequate proportion of long-term borrowings, which supports liquidity stability.

The LCR is calculated by dividing a Company's stock of HQLA by it's total net cash outflows over a 30 -day stress period. The guidelines for LCR were effective from 1st December 2020 with the minimum LCR to be 50%, progressively increasing, till reaches the required level of 100% by 1st December, 2024 as follows;

From	1/12/2020	1/12/2021	1/12/2022	1/12/2023	1/12/2024
Minimum LCR	50%	60%	70%	85%	100%

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

In order to determine HQLA, Company considers Cash and Bank Balances and Investment in Government Securities. Other liquid assets such as callable fixed deposits, certificates of deposit, liquid mutual funds and commercial papers, which can be readily liquidated, are considered as cash inflows but are not classified as HQLA. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per guidelines, stressed cash flows is to be computed by assigning a predefined stress percentage to the overall cash outflows (i.e. 115%) and cash inflows (with haircut of 25%). Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows, 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by it's total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other collateral requirement, the Company considers the loans which are callable under rating downgrade trigger up to and including 3- notch downgrade. Outflow under other contractual funding obligations primarily includes outflow on account of overdrawn balances with Banks and sundry payables. In order to determine Inflows from fully performing exposures, Company considers the contractual repayments from performing advances in next 30 days. Other Cash inflows includes investments in liquid mutual funds, and other assets which are maturing within 30 days.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2026 is given below:

	Particular	Quarter Ended 31-Mar-26		Quarter Ended 31-Dec-25		Quarter Ended 30-Sep-25		Quarter Ended 30-Jun-25	
		Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)
	High Quality Liquid Assets								
1	Total High-Quality Liquid Assets	149.86	149.86	99.36	99.36	80.63	80.63	279.71	279.71
(i)	Cash & Bank Balances	87.08	87.08	74.44	74.44	64.33	64.33	279.71	279.71
(ii)	Investment in Govt. Securities	62.78	62.78	24.92	24.92	16.30	16.30	–	–
	Cash Outflows								
2	Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding	28.23	32.46	33.09	38.05	34.91	40.15	123.56	142.10
4	Secured wholesale funding	98.59	113.38	56.53	65.01	67.10	77.16	77.59	89.23
5	Additional requirements, of which	–	–	–	–	–	–	–	–
(i)	Outflows related to derivative exposures and other collateral requirements	16.05	18.46	20.46	23.53	26.67	30.67	36.55	42.04
(ii)	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
(iii)	Credit and liquidity facilities	56.14	64.56	37.64	43.28	21.87	25.16	14.86	17.08
6	Other contractual funding obligations	69.17	79.55	72.99	83.94	28.95	33.30	39.18	45.05
7	Other contingent funding obligations	1.01	1.17	16.98	19.53	20.20	23.23	19.37	22.28
8	TOTAL CASH OUTFLOWS	269.20	309.58	237.68	273.34	199.71	229.66	311.11	357.78
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	25.89	19.42	23.93	17.95	39.14	29.35	69.41	52.06
11	Other cash inflows	458.83	344.13	449.25	336.94	451.80	338.85	77.75	58.32
12	**TOTAL CASH INFLOWS**	**484.73**	**363.55**	**473.18**	**354.88**	**490.94**	**368.21**	**147.16**	**110.37**
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
	TOTAL HQLA		**149.86**		**99.36**		**80.63**		**279.71**
	TOTAL NET CASH OUTFLOWS		**77.39**		**68.33**		**57.42**		**247.41**
	LIQUIDITY COVERAGE RATIO (%)		**194%**		**145%**		**140%**		**113%**

Notes:

1. The average weighted and unweighted amounts are based on simple averages of daily observations.
2. Consist of outflows related to liquidity requirements in case a) downgrade triggers up to and including 3 notches down; b)Market valuation changes on derivatives transactions (largest absolute net 30-day collateral flows realised during the preceding 24 months) based on look back approach; and c) potential for valuation changes on collateral securing derivatives.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. Regulatory disclosures - RBI

The following additional information is disclosed in terms of RBI circular – RBI/DOR/2025-26/359 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 dated November 28, 2025 read with RBI/DOR/2025-26/345 DOR.CAP.REC.264/21-01-002/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28, 2025.

The figures for the current financial year represent those of the merged entity, whereas the figures for the previous financial year are as reported in the audited financial statements of the Company without giving effect to the merger. Accordingly, the figures for the current year are not comparable with those of the previous year.(Refer Note 44A)

53. A Capital:

Capital to risk assets ratio (CRAR)

Particulars	As at March 31, 2026	As at March 31, 2025
CRAR (%)	29.86%	32.62%
CRAR - Tier I capital (%)	29.83%	23.28%
CRAR - Tier II Capital (%)	0.03%	9.34%

Perpetual Debt

Particulars	As at and for year ended March 31, 2026	As at and for year ended March 31, 2025
Amount raised by issue of perpetual debt instruments	–	–
Perpetual debt outstanding including Interest	111.36	327.30
Percentage of Perpetual debt to Tier I Capital	9.69%	37.39%

Subordinated debt

	As at and for year ended March 31, 2026	As at and for year ended March 31, 2025
Subordinated debt outstanding including Interest	585.07	773.13
Discounted value of subordinated debt considered for the purpose of Tier II capital	57.82	120.00
Amount of subordinated debt raised as Tier-II capital	–	–

53. B Investments

I) Value of Investment

Particulars	As at March 31, 2026	As at March 31, 2025
Gross value of investments		
In India	5,571.68	7,752.31
Outside India	–	–
Provisions for depreciation / appreciation		
In India	(1,846.98)	(2,346.43)
Outside India	–	–
Net value of investments		
In India	3,724.70	5,405.88
Outside India	–	–

Please refer note no. 14.A for more details on investments

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

II) Movement of provisions held towards depreciation/appreciation on investments.

	For the year ended	
	March 31, 2026	**March 31, 2025**
Opening balance	2,346.43	921.39
Add : Provisions made during the year	(666.46)	1,479.05
Add: Balance transferred on account of merger	(1.09)	–
Less : Write-off / write-back of excess provisions during the year	168.10	(54.01)
Closing balance	**1,846.98**	**2,346.43**

53. C Derivatives

I) Forward rate agreement / interest rate swap

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
The notional principal of swap agreements	4,461.36	1,700.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	31.93	0.98
Collateral required by the NBFC upon entering into swaps	13.98	13.84
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	6.16	(3.34)

* % of concentration of credit risk arising from swaps with banks

II) Exchange traded interest rate (IR) derivatives

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Notional principal amount of exchange traded IR derivatives undertaken during the year	9,206.61	9,795.09
Notional principal amount of exchange traded IR derivatives outstanding	355.38	318.14
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	–	–
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	–	–

III) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Quantitative disclosure

Particulars	As at March 31, 2026		As at March 31, 2025	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For hedging	–	4,816.74	–	2,018.14
Marked to market positions				
Assets (+)	–	31.93	–	0.98
Liability (-)	–	(25.77)	–	(4.32)
Credit exposure	–	47.51	–	14.75
Unhedged exposures	–	–	–	–

53. D Disclosures relating to securitisation

(i) The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
a) No. of SPVs sponsored by the NBFC for securitisation transactions	3	7
b) Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	170.47	275.88
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	90.27	87.28
Off-balance sheet exposures		
– First loss	–	–
– Others	–	–
On-balance sheet exposures		
– First loss - Cash collateral in the form of term deposits with banks	12.17	7.99
– Others - Pass Through Certificates	78.10	79.29
d) Amount of exposures to securitisation transactions other than MRR	58.79	58.21
Off-balance sheet exposures		
Exposure to own securitisations		
– First loss - Excess Interest Spread	58.79	58.21
– Others	–	
Exposure to third party securitisations		
– First loss	–	–
– Others	–	–
On-balance sheet exposures		
Exposure to own securitisations		
– First loss	–	–
– Others	–	–
Exposure to third party securitisations		
– First loss	–	–
– Others	–	–
e) Sale consideration received for the securitised assets	386.73	444.10
f) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	90.27	87.28

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Particulars	As at March 31, 2026	As at March 31, 2025
g) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent 60 etc. Mention percent in bracket as of total value of facility provided.	–	–
i) Amount paid	–	–
ii) Repayment received	–	–
iii) Outstanding amount	–	–
h) Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
i) Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
j) Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	–	–

(ii) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

Particulars	As at March 31, 2026	As at March 31, 2025
No. of accounts	1	–
Aggregate value (net of provisions) of accounts sold to SC / RC	10.10	–
Aggregate consideration	10.50	–
Additional consideration realized in respect of accounts transferred in earlier years	–	–
Aggregate gain / (loss) over net book value	0.40	–
Gain / (Loss) on sale to SC/RC during the year	0.40	–
Amount received in respect of accounts transferred in prior year	–	–

(iii) Details of non-performing financial assets purchased/sold from/to NBFCs

During the current and previous year, no non-performing financial assets has been purchased/sold from/ to other NBFCs

53. E Asset liability management

Maturity pattern of certain items of assets and liabilities As at March 31, 2026

Particulars	Assets		Liabilities	
	Gross Advances	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	37.44	1,798.11	12.56	1,620.77
Over One months to 2 months	12.96	5.54	14.83	77.14
Over 2 months up to 3 months	12.44	409.30	42.58	391.77
Over 3 months to 6 months	36.90	0.75	60.30	155.96
Over 6 months to 1 year	181.34	43.30	119.86	560.96
Over 1 year to 3 years	519.97	507.57	295.41	1,227.42
Over 3 years to 5 years	138.99	934.89	97.34	100.00
Over 5 years	828.50	28.10	–	0.00
	1,768.55	**3,727.56**	**642.87**	**4,134.01**

*Investments also includes Investment property

Note: There is no deposits taken, foreign currency assets and foreign currency liabilities as on March 31, 2026

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to ₹ 74.27 crore As at March 31, 2026 will be repaid on their renewal dates and accordingly reflected the same in the “within 12 months” bucket.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Maturity pattern of certain items of assets and liabilities As at March 31, 2025

Particulars	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	144.35	2,762.47	9.37	2,480.44
Over One months to 2 months	20.59	–	60.67	380.56
Over 2 months up to 3 months	12.27	391.96	32.91	48.23
Over 3 months to 6 months	35.61	75.91	128.25	111.00
Over 6 months to 1 year	112.22	77.29	110.63	317.87
Over 1 year to 3 years	134.52	721.66	212.55	1,412.12
Over 3 years to 5 years	228.61	1,233.97	39.98	717.06
Over 5 years	279.08	147.02	–	–
`	**967.25**	**5,410.28**	**594.36**	**5,467.29**

*Investments also includes Investment property

Note: There is no deposits taken, foreign currency assets and foreign currency liabilities as on March 31, 2025

The Company has considered that the Cash Credit facilities availed by it aggregating to ₹ 202.13 crore As at March 31, 2025 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

53. F Exposures

1) Exposure to real estate sector (gross)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Direct exposure		
Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to ₹15 lakhs may be shown separately)	668.56	225.75
Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	751.39	432.32
Investments in mortgage backed securities (MBS) and other securitised exposures -		
– Residential	–	–
– Commercial Real Estate	2,909.35	4,039.08
ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	–	–
c) **Others** (includes investments property)	5.27	7.91
Total Exposure to Real Estate Sector	**4,334.57**	**4,705.06**

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

2) Exposure to capital market (gross)

Particulars	As at March 31, 2026	As at March 31, 2025
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	–	19.58
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	–	41.95
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	–	21.63
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	–	–
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	–	–
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
vii) Bridge loans to companies against expected equity flows / issues	–	–
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
ix) Financing to stockbrokers for margin trading	–	–
x) a) All exposures to Alternative Investment Funds:	–	–
(i) Category I	–	37.05
(ii) Category II	–	81.89
b) All exxposure to Venture Capital Funds:	–	–
xi) others (not covered above)	107.25	146.12
Total Exposure to Capital Market	**107.25**	**348.22**

3) Sectorial Exposure

As at March 31, 2026

Sectors	Total gross exposure	Gross NPAs	Percentage of Gross NPAs to total gross exposure in that sector
1. Agriculture and Allied Activities	37.17	0.24	0.64%
2. Industry (Micro and Small and medimum and Large)	882.62	23.18	2.63%
2.1 Micro and Small	508.16	10.94	2.15%
2.2 Medium	215.04	0.48	0.22%
2.3 Large	–	–	
2.4 Others	159.42	11.76	7.38%
3. Services	765.57	11.84	1.55%
3.1 Transport Operators	–	–	–
3.2 Computer Software	–	–	–
3.3 Tourism, Hotels and Restaurants	16.74	0.31	1.83%

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Sectors	Total gross exposure	Gross NPAs	Percentage of Gross NPAs to total gross exposure in that sector
3.4. Shipping	4.93	–	–
3.5. Professional Services	140.37	7.93	5.65%
3.6. Trade	44.73	0.79	1.77%
3.6.1 Wholesale Trade (Other than food Procurement)	6.96	0.21	3.07%
3.6.2 Retail Trade	37.77	0.58	1.53%
3.7 Commercial Real Estate	322.43	–	–
3.8 Non Banking Fiancials Companies of which	–	–	–
3.8.1 Housing Finance Companies (HFCs)	–	–	–
3.8.2 Public Financial Institutions (PFIs)	–	–	–
3.9. Aviation	1.72	0.21	12.24%
3.10. Other Services	234.66	2.60	1.11%
4. Personal Loans	78.44	3.64	4.64%
4.1. Housing (Including Priority Sector Housing)	–	–	–
4.2. Consumer Durables	–	–	–
4.3. Credit Card Outstanding	–	–	–
4.4. Vehicle Loans	–	–	–
4.5. Education	–	–	–
4.6 Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	–	–	–
4.7. Advances to Individuals against share, bonds, etc.	–	–	–
4.8. Loans against gold jewellery	–	–	–
4.9. Micro finance loans / SHG loans	–	–	–
4.10 Other Retail Loans	78.44	3.64	4.64%
5. Other loans	4.75	–	–
Total	**1,768.55**	**38.90**	**2.20%**

As at March 31, 2025

Sectors	Total gross exposure	Gross NPAs	Percentage of Gross NPAs to total gross exposure in that sector
1. Agriculture and Allied Activities	11.38	0.67	5.92%
2. Industry (Micro and Small and medimum and Large)	371.83	13.17	3.54%
2.1 Micro and Small	–	–	–
2.2 Medium	–	–	–
2.3 Large	–	–	–
2.4 Others	371.83	13.17	3.54%
3. Services	454.05	6.55	1.44%
3.1 Transport Operators	–	–	–
3.2 Computer Software	–	–	–
3.3 Tourism, Hotels and Restaurants	8.70	–	–
3.4. Shipping	2.74	–	–
3.5. Professional Services	74.69	4.52	6.05%
3.6. Trade	43.43	0.73	1.69%

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Sectors	Total gross exposure	Gross NPAs	Percentage of Gross NPAs to total gross exposure in that sector
3.6.1 Wholesale Trade (Other than food Procurement)	2.95	0.15	5.16%
3.6.2 Retail Trade	40.48	0.58	1.43%
3.7 Commercial Real Estate	265.53	–	–
3.8 Non Banking Fiancials Companies of which	–	–	–
3.9.1 Housing Finance Companies (HFCs)	–	–	–
3.9.2 Public Financial Institutions (PFIs)	–	–	–
3.9. Aviation	0.23	0.18	81.56%
3.10 Other Services	58.74	1.11	1.90%
4. Personal Loans	57.91	2.17	3.75%
4.1 Housing (Including Priority Sector Housing)	–	–	–
4.2. Consumer Durables	–	–	–
4.3 Credit Card Outstanding	–	–	–
4.4. Vehicle Loans	–	–	–
4.5. Education	–	–	–
4.6. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	–	–	–
4.7. Advances to Individuals against share, bonds, etc.	–	–	–
4.8. Loans against gold jewellery	–	–	–
4.9. Micro finance loans / SHG loans	–	–	–
4.10 Other Retail Loans	57.91	2.17	3.75%
5. Other loans	72.07	–	–
Total	**967.25**	**22.56**	**2.33%**

4) **Intra-group exposures**

Particulars	As at March 31, 2026	As at March 31, 2025
i) Total amount of intra-group exposures	474.04	220.38
ii) Total amount of top 20 intra-group exposures	474.04	220.38
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	8.38%	2.37%
5) **Unhedged foreign currency exposure**	Nil	Nil

53. G **Details of financing of parent company products:**

Details of financing of parent company products during the year: Nil (Previous year : Nil)

53. H **Details of single borrower limit and borrower group limit exceeded by the Company:**

The Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI, except below cases:

FY 2025-26

City Gold Education Research Limited

FY 2024-25

Shree Naman Developers Private Limited

City Gold Education Research Limited

The above loans were disbursed within in the limit of Single Borrower Limit (SBL) and Group Borrower Limit (GBL) as prevailing guidelines at the time of disbursement. However this was a passive breach in SBL due to reduction of Net Owned Fund for the year.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. I Registration obtained from other financial sector regulators - The Company is acting as corporate agent (composite) for insurance business. It has obtained license form Insurance Regulatory and Development Authority of India (IRDAI) (Registration no. CA0932) dated April 19, 2024.

53. J Disclosure of penalties imposed by RBI and other regulators- Nil (Previous year - Nil).

53. K Related party transactions

All Material transactions with related parties are reflected in Note 48

53. L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2026	For the year ended March 31, 2025
Biswamohan Mahapatra	Sitting fees and comission fees	–	0.18
Shiva Kumar	Sitting fees and comission fees	0.25	0.30
Aalok Gupta	Sitting fees and comission fees	0.28	0.26
Sameer A. Kaji	Sitting fees and comission fees	0.30	0.29
Atul Pande	Sitting fees and comission fees	0.26	0.27
P Kumarsan	Sitting fees and comission fees	0.07	–

53. M Provisions and contingencies

	As at March 31, 2026	As at March 31, 2025
Breakup of provisions and contingencies shown under the head other expenses / income in the statement of profit and loss		
Provisions for depreciation/(appreciation) on Investment	(54.40)	28.39
Provision towards Stage 3	3.18	(5.57)
Provision made towards Income tax	1.19	–
Provision for Stage 1/Stage 2 Assets including restructured and others	(9.34)	(11.97)
Other Provision and Contingencies		
Impairment on Investment Property	(1.07)	2.71
Provision towards ECL on trade receivables	(4.99)	(0.03)

53. N Draw down from reserves

The Company has drawn ₹ Nil (previous year Nil crores) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2026. Further, pursuant to amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for the debentures issued by Non-Banking Finance Companies by Reserve Bank of India.

53. O Concentration of advances, exposures and stage 3 assets

	As at March 31, 2026	As at March 31, 2025
Concentration of advances		
Total Advances to twenty largest borrowers	561.52	411.49
% of Advances to twenty largest borrowers to Total Advances	31.75%	42.54%
Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	561.52	411.49
% of Exposures to twenty largest borrowers / Customers to Total Advances	29.04%	42.31%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	9.74	10.00

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Sector-wise Stage 3 Assets	% of Stage 3 assets to Total Advances in that sector	
Sectors	**March 31, 2026**	**March 31, 2025**
Agriculture & allied activities	0.64%	5.92%
MSME	2.23%	4.05%
Corporate borrowers	1.68%	1.69%
Services	1.33%	0.40%
Unsecured loans	2.22%	1.10%
Auto loans	0.00%	0.00%
Other loans*	6.08%	2.57%

*Other loans represents retail loans

53. P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2026	As at March 31, 2025
Stage 3 assets net of stage 3 provision to net advances (%)	1.21%	1.33%
Movement of Stage 3 assets		
Opening balance	22.56	33.83
Transferred on account of merger from Erstwhile ERFL	11.91	–
Additions during the year	64.89	42.82
Reductions during the year*	(60.46)	(54.09)
Closing balance	38.90	22.56
Movement of Stage 3 net of stage 3 provisions		
Opening balance	12.76	18.46
Transferred on account of merger from Erstwhile ERFL	7.20	–
Additions during the year	58.81	39.00
Reductions during the year	(57.56)	(44.70)
Closing balance	21.21	12.76
Movement of stage 3 provisions		
(excluding provision on Stage 1/Stage 2)		
Opening Balance	9.80	15.37
Transferred on account of merger from Erstwhile ERFL	4.71	–
Additions during the year	6.08	3.82
Reductions during the year	(2.90)	(9.39)
Closing balance	17.69	9.80

*Includes Stage 3 assets written off during the year ₹ 25.67 crore (Previous year: ₹ 17.94 crore)

53. Q Overseas assets - Nil (Previous year - Nil)

53. R Off-balance sheet SPV sponsored - Nil (previous year - Nil)

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. S **Customer complaints**

1) **Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
	Compliants received by the NBFC from its customers		
1	No. of complaints pending at the beginning of the year	10	–
2	No. of complaints received during the year	209	218
3	No. of complaints redressed/disposed during the year	214	208
3.1	Of which, number of complians rejected by the NBFC	58	25
4	No. of complaints pending at the end of the year	5	10
5	**Number of Maintainable complaints received by the NBFC from office of the Omnbudsman**	51	37
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	51	37
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	–	–
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
6	**Number of Awards unimplemented within the stipulated time (other than those appealed**	–	–

2) **Top five grounds of complaints received by the NBFCs from customers**

Grounds of complaints*	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			As at March 31,2026		
CIBIL Related	3	46	–6%	–	–
Foreclosure Related	3	46	39%	2	–
Collection/Recovery Related	2	28	27%	1	–
Charges Related	–	17	–11%	1	–
Insurance Related	1	–	–100%	–	–
Moratorium and Restructuring	–	12	–	–	–
TDS Refund	–	8	–	–	–
Others	1	52	–34%	1	–
Total	**10.00**	**209**	**–4%**	**5**	**–**
			As at March 31,2025		
CIBIL Related	–	49	133%	3	–
Foreclosure Letter Related	–	33	NA	3	–
Collection/Recovery Related	–	22	NA	2	–
Penal Charges Related	–	19	NA	–	–
Insurance Related	–	16	NA	1	–
Others	–	79	NA	1	–
Total	**–**	**218**	**133%**	**10**	**–**

* Grounds of complains are basis on the grounds as specified in Scale Based Regulations issued by the Reserve Bank of India.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. T Rating assigned by credit rating agencies

As at March 31, 2026	CRISIL		ICRA		CARE		BRICKWORKS		ACUTE		INFOMERICS	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL A+/ Stable	7,483.68	[ICRA] A+/ Stable	10,166.84	CARE A/ Stable	4,122.66	BWR A+/ Stable	550.00	ACUITE A/ Stable	400.00	–	–
	CRISIL A/ Stable	400.00	–	–	–	–	BWR A/ Stable	400.00	ACUITE A+/ Stable	300.00	–	–
	–	–	–	–	–	–	BWR PP-MLD A+/ Stable	2.00	–	–	–	–
Short term instruments	CRISIL A1+	4,000.00	–	–	–	–	–	–	ACUITE A1+	500.00	IVR A1+	400.00

Movement in Ratings during the year:-

1 ACUITE removed from rating watch on 07th July 2025

2 BWR removed from rating watch on 05th June 2025

3 CARE reaffirmed the rating on 17th November 2025

4 CRISIL reaffirmed the rating on 12th January 2026

5 ICRA reaffirmed the rating on 17th December 2025

6 INFOMERICS reaffirmed the rating on 24th December 2025

As at March 31, 2025	CRISIL		ICRA		CARE		BRICKWORKS		ACUTE		INFOMERICS	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL A+/ Stable	7,425.68	[ICRA] A+/ Stable	9,050.69	CARE A/ Stable	4,300.16	BWR A+/ Rating watch with negative implications	500.00	ACUITE A/ Rating watch with negative implications	300.00	–	–
							BWR A/ Rating watch with negative implications	300.00	ACUITE A+/ Rating watch with negative implications	400.00	–	–
							BWR PP-MLD A+/ Rating watch with negative implications	2.00				
Short term instruments	CRISIL A1+	3,500.00	–	–	–	–	–	–	ACUITE A1+/ Rating watch with negative implications	500.00	IVR A1+	400.00

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Movement in Ratings during the year:-

1 ACUITE placed on rating watch with negative implications on 07th June 2024.

2 BWR revise its long-term rating to BWR A+ from BWR AA- & BWR A from BWR A+/ Placed on rating watch with negative implications on 07th June 2024

3 CARE placed on rating watch with negative implications on 06th June 2024

4 CARE reaffirmed and removed from Rating Watch with Negative Implications; Stable outlook assigned on 11th February 2025

5 CRISIL placed on rating watch with negative implications on 07th June 2024

6 CRISIL reaffirmed and removed from rating watch with negative implications; Negative outlook assigned on 27th December 2024

7 CRISIL revise outlook Negative to Stable on 09th Jan 2025

8 ICRA reaffirmed and removed from rating watch with negative implications; Stable outlook assigned on 24th December 2024

53. U Note related to fraud as required in terms of “RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 -Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs)” dated July 15, 2024 - Nil.

53. V (i) Disclosure of Restructured Accounts

Disclosure of Restructured Accounts for the year ended March 31, 2026

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2025 (Opening figures)	No. of borrowers	–	–	–	–	–	–	–	–	–	–	45	3	1	–	49	45	3	1	–	49
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	27.54	3.41	0.01	–	30.96	27.54	3.41	0.01	–	30.96
		Provision thereon	–	–	–	–	–	–	–	–	–	–	2.79	0.90	0.01	–	3.69	2.79	0.90	0.01	–	3.69
2	Transferred from erstwhile Edelweiss Retail Finance Limited on merger	No. of borrowers	–	–	–	–	–	–	–	–	–	–	17	–	–	–	17.00	17	–	–	–	17
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	35.71	–	–	–	35.71	35.71	–	–	–	35.71
		Provision thereon	–	–	–	–	–	–	–	–	–	–	4.00	–	–	–	4.00	4.00	–	–	–	4.00
3	Movement in balance for accounts appearing under opening balance*	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(14)	–	–	–	(14)	(14)	–	–	–	(14)
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(18.72)	0.16	0.32	–	(18.24)	(18.72)	0.16	0.32	–	(18.24)
		Provision thereon	–	–	–	–	–	–	–	–	–	–	(2.57)	0.25	0.28	–	(2.03)	(2.57)	0.25	0.28	–	(2.03)
4	Fresh restructuring during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Upgradations of restructured accounts to Standard category	No. of borrowers	–	–	–	–	–	–	–	–	–	–	2	(2)	–	–	–	2	(2)	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	0.30	(0.30)	–	–	–	0.30	(0.30)	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	0.06	(0.06)	–	–	–	0.06	(0.06)	–	–	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Sl No	Type of Restructuring / Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
6	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Downgradations of restructured accounts during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(2)	1	1	–	–	(2)	1	1	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(0.54)	(2.58)	3.12	–	–	(0.54)	(2.58)	3.12	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	(0.07)	(0.76)	0.83	–	–	(0.07)	(0.76)	0.83	–	–
8	Write-offs of restructured accounts during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(1)	–	(1)	–	(2)	(1)	–	(1)	–	(2)
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(0.85)	–	(0.01)	–	(0.86)	(0.85)	–	(0.01)	–	(0.86)
		Provision thereon	–	–	–	–	–	–	–	–	–	–	(0.22)	–	(0.01)	–	(0.23)	(0.22)	–	(0.01)	–	(0.23)
9	Restructured accounts as on 31st March, 2026 (Closing figures)	No. of borrowers	–	–	–	–	–	–	–	–	–	–	47	2	1	–	50.00	47	2	1	–	50.00
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	43.44	0.69	3.43	–	47.57	43.44	0.69	3.43	–	47.57
		Provision thereon	–	–	–	–	–	–	–	–	–	–	3.99	0.32	1.11	–	5.43	3.99	0.32	1.11	–	5.43

Note :

*includes loan closed and recovery made from active loans during the year.

53. V (ii) Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount Crs
MSME*	22	42.79

*Includes loans transferred from erstwhile ERFL on account of merger.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Disclosure of Restructured Accounts for the year ended March 31, 2025

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2023 (Opening figures)	No. of borrowers	–	–	–	–	–	–	–	–	–	–	80	3	9	–	92	80	3	9	–	92
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	39.61	24.48	1.05	–	65.14	39.61	24.48	1.05	–	65.14
		Provision thereon	–	–	–	–	–	–	–	–	–	–	3.49	10.51	0.67	–	14.67	3.49	10.51	0.67	–	14.67
2	Fresh restructuring during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Upgradations of restructured accounts to Standard category	No. of borrowers	–	–	–	–	–	–	–	–	–	–	1	–	(1)	–	–	1	–	(1)	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	0.10	–	(0.10)	–	–	0.10	–	(0.10)	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	0.02	–	(0.02)	–	–	0.02	–	(0.02)	–	–
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year*	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(30)	–	(4)	–	(34.00)	(30)	–	(4)	–	(34)
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(8.63)	–	(0.71)	–	(9.34)	(8.63)	–	(0.71)	–	(9.34)
		Provision thereon	–	–	–	–	–	–	–	–	–	–	0.22	–	(0.48)	–	(0.26)	0.22	–	(0.48)	–	(0.26)
5	Downgradations of restructured accounts during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(3)	3	–	–	–	(3)	3	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(3.41)	3.41	–	–	–	(3.41)	3.41	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	(0.90)	0.90	–	–	–	(0.90)	0.90	–	–	–
6	Write-offs of restructured accounts during the year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	(3)	(3)	(3)	–	(9.00)	(3)	(3)	(3)	–	(9)
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	(0.13)	(24.48)	(0.23)	–	(24.84)	(0.13)	(24.48)	(0.23)	–	(24.84)
		Provision thereon	–	–	–	–	–	–	–	–	–	–	(0.05)	(10.51)	(0.17)	–	(10.73)	(0.05)	(10.51)	(0.17)	–	(10.73)
7	Restructured accounts as on 31st Mar, 2024 (Closing figures)	No. of borrowers	–	–	–	–	–	–	–	–	–	–	45	3	1	–	49	45	3	1	–	49
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	27.54	3.41	0.01	–	30.96	27.54	3.41	0.01	–	30.96
		Provision thereon	–	–	–	–	–	–	–	–	–	–	2.79	0.90	0.01	–	3.70	2.79	0.90	0.01	–	3.70

Note :

*includes loan closed and recovery made from active loans during the year.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances:-

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	21	24.92

53. W Schedule to the Balance Sheet

In the terms of RBI circular – "RBI/DOR/2025-26/359 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" dated November 28, 2025

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	1,497.62	–	1,609.43	–
ii) Unsecured	703.01	–	1,112.40	–
b) Deferred Credits	–	–	–	–
c) Term Loans (Bank and Other parties)	568.61	–	405.73	–
d) Inter-corporate loans and borrowing	–	–	–	–
e) Commercial Paper	247.01	–	167.88	–
f) Public Deposits	–	–	–	–
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	45.00	–	146.00	–
ii) Bank Overdraft	29.27	–	56.13	–
iii) CBLO Borrowings	1,585.99	–	2,448.02	–
iv) Loan from related parties	100.38	–	35.06	–

	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
2. Break up of Loans and Advances including bills receivables		
i) Secured	1,423.81	740.58
ii) Unsecured	344.74	226.67
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
i) Financial Lease	–	–
ii) Operating Lease	–	–
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	–	–
ii) Repossessed assets	–	–

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	–	–
ii) Other loans	–	–
4. Break up of Investments		
a) Current Investment - Quoted		
i) Shares		
Equity	–	–
Preference Shares	–	–
ii) Debentures and Bonds	369.46	216.83
iii) Units of Mutual Funds	34.31	–
iv) Government Securities	1,792.58	2,762.45
v) Others	–	–
b) Current Investment - Unquoted		
i) Shares		
Equity	–	–
Preference Shares	–	–
CCPS	–	–
ii) Debentures and Bonds	–	–
iii) Units of Mutual Funds	–	–
iv) Government Securities	–	–
v) Others	–	–
c) Long term Investment - Quoted		
i) Shares		
Equity	–	–
Preference Shares	–	–
ii) Debentures and Bonds	–	–
iii) Units of Mutual Funds	–	–
iv) Government Securities	–	–
v) Others	–	–
d) Long term Investment - Unquoted		
i) Shares		
Equity	–	19.58
Preference Shares	–	–
CCPS	–	–
ii) Debentures and Bonds	–	–
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others		
– Investments in security receipts of trusts	1,500.27	2,259.99
– Investment in Units of AIF	–	118.95
– Investment in Units of Pass through Certificate	28.08	28.08

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

5. **Borrower group-wise classification of assets financed as in (2) and (3) above As at March 31, 2026**

	Amount (net of provisions)		
	Secured	**Unsecured**	**Total**
a) Related Parties			
Subsidiaries (Gross)	–	–	–
Companies in the same group (Gross)	–	100.84	100.84
b) Other than related parties (Gross)	1,423.81	243.88	1,667.70
Less: Provisions	(33.81)	(11.67)	(45.48)
Total Net of provisions	**1,390.00**	**333.06**	**1,723.06**

Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2025

	Amount (net of provisions)		
	Secured	**Unsecured**	**Total**
a) Related Parties			
Subsidiaries (Gross)	–	–	–
Companies in the same group (Gross)	–	–	–
b) Other than related parties (Gross)	740.60	226.65	967.25
Less: Provisions	(26.03)	(12.04)	(38.07)
Total Net of provisions	**714.57**	**214.61**	**929.18**

6. **Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Market Value/ Fair Value	**Book Value (Net of provision)**	**Market Value/ Fair Value**	**Book Value (Net of provision)**
a) Related Parties				
Subsidiaries	–	–	–	–
Companies in the same group	1,658.53	1,658.53	1,885.17	1,885.17
Other related parties	–	–	–	–
b) Other than related parties	2,066.17	2,066.17	3,520.71	3,520.71

7. **Other Information**

	Amount Outstanding	
	As at March 31, 2026	**As at March 31, 2025**
a) Stage 3 assets		
i) Related Parties	–	–
ii) Other than related parties	38.90	22.56
b) Stage 3 assets net of stage 3 provision		
i) Related Parties	–	–
ii) Other than related parties	21.21	12.76
c) Assets acquired in satisfaction of debt	–	11.03

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. X Prudential Floor for ECL As at March 31, 2026

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
A	B	C	D	E = C - D	F	G = D - F
Performing Assets						
Standard	Stage 1	1,656.82	17.80	1,639.02	6.66	11.14
	Stage 2	72.83	9.99	62.84	2.34	7.65
Total Performing Assets		**1,729.65**	**27.79**	**1,701.86**	**9.00**	**18.79**
Non Performing Assets (NPA)						
Substandard	Stage 3	14.43	5.54	8.89	3.26	2.28
Doubtful - up to 1 year	Stage 3	16.37	6.96	9.41	7.67	–0.71
1 to 3 years	Stage 3	5.51	2.71	2.80	3.59	–0.88
More than 3 years	Stage 3	2.60	2.48	0.12	2.53	–0.05
Total Doubtful						
Loss Assets	Stage 3	–	–	–	–	–
Total Non Performing Assets (NPA)		**38.91**	**17.69**	**21.22**	**17.05**	**0.64**
Other items such as guarantees, loan commitments, etc.which are in the scope of Ind AS 109 but not covered under IRACP	Stage 1	–	–	–	–	–
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		**–**	**–**	**–**	**–**	**–**
Total	Stage 1	1,656.82	17.80	1,639.02	6.66	11.14
	Stage 2	72.83	9.99	62.84	2.34	7.65
	Stage 3	38.91	17.69	21.22	17.05	0.64
Total Loan Book		**1,768.56**	**45.48**	**1,723.08**	**26.05**	**19.43**

53. Y Disclosure on liquidity risk

In the terms of RBI circular – "RBI/DoR/2025-26/355 DoR.LRG.REC.No.274/13-10-004/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025" dated November 28, 2025

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2026
Number of significant counterparties*	11
Amount of borrowings from significant counterparties	3,697.57
% of Total deposits	NA
% of Total liabilities**	73.22%

* "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's total liabilities.

** "Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

b) Top 20 large deposits

The Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c) Top 10 Borrowings

	As at March 31, 2026
Amount of Borrowings from top 10 lenders	3,646.99
% of Total Borrowings	76.35%

d) Funding Concentration based on significant instrument/product*

	As at March 31, 2026	
	Amount	% of Total Liabilities**
Debentures		
Non Convertible	2,200.63	43.58%
Bank Borrowings		
Term Loans	568.61	11.26%
Cash Credit and working Capital Demand loan	74.27	1.47%
Other Borrowings		
Commercial Papers	247.00	4.89%
TriParty Repo	1,585.98	31.41%
Loan from related parties	100.38	1.99%

* "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's total liabilities.

** "Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

e) Stock Ratios

	As at March 31, 2026
Commercial papers as a % of total public funds	5.17%
Commercial papers as a % of total liabilities	4.89%
Commercial papers as a % of total assets	3.49%
Non-convertible debentures as a % of total public funds	0.00%
Non-convertible debentures as a % of total liabilities	0.00%
Non-convertible debentures as a % of total assets	0.00%
Other short-term liabilities***, if any as a % of total public funds*	20.23%
Other short-term liabilities, if any as a % of total liabilities**	19.14%
Other short-term liabilities, if any as a % of total assets	13.65%

*"Total public funds" refers to the aggregate of Debt securities, borrowings other than debt securities and subordinated liabilities.

**"Total liabilities" refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

***"Other short-term liabilities" includes cash credit, working capital demand loans, loans from related parties.

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

- **The Asset Liability Management Committee, inter alia**
  a. Review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.
  b. Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:
     i. Interest rate levels and trends
     ii. Loan products and related markets
     iii. Monetary and fiscal policy
  c. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.
  d. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.
  e. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.
  f. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
  g. Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.
  h. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis.
  i. Review stress test scenarios including the assumptions and results.
  j. Review and approve the capital allocation methodology.
  k. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.
  l. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.
  m. Formulate ALM policy for the Company; and
  n. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.
  - **The Risk Management Committee, inter alia**
    a. Identifying, measuring and monitoring the various risks faced by the Company;
    b. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;
    c. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
    d. To assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;
    e. To have oversight over implementation of risk and related policies;
    f. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise; and
    g. Establishing a common risk management language that includes measures around likelihood and impact and risk categories

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. Z Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Format B - For the half year ended March 31, 2026

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position As at the September 30, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2026	Of (A) amount written off during the half-year ended March 31, 2026	Of (A) amount paid by the borrowers during the half-year ended March 31, 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position As at March 31, 2026
Personal Loans	1.43	–	–	0.01	1.42
Corporate persons*	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	**1.43**	**–**	**–**	**0.01**	**1.42**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

53. AA Disclosures pursuant to RBI circular vide RBI/DOR/2025-26/359 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” dated November 28, 2025 read with circular no. RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048 /2025-26 “Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025” dated November 28, 2025.

(a) Details of transferred (not in default) during the year are given below:

Particulars	Through assignment		Through Pass through certificate	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Count or Loan accounts Assigned	12	242	–	882
Amount of Loan account Assigned	11.40	139.40	–	262.00
Retention of beneficial economic interest (MRR)	20%	20%	–	25%
Weighted Average Maturity (Residual Maturity) (in years)	11.96	6.33	–	7.81
Weighted Average Holding Period (in years)	0.09	0.06	–	2.60
Coverage of tangible security coverage	100%	96%	–	64%
Rating-wise distribution of rated loans	Unrated	Unrated	–	AA- (SO), Unrated

(b) Details of Co-Lending Arrangements (CLAs) on an aggregate basis as on March 31, 2026

Particulars	(Amount except percentage)
1. Quantum of CLAs	
– Number of CLA partners (No.)	1
– Number of outstanding cases (No.)	158
– Amount of gross principal outstanding	154.14
2. Weighted average rate of interest (%)	10.05%
3. Fees charged during the quarter	0.02
4. Fees paid during the quarter	–
5. Broad sectors in which CLA was made	Loan against properties
6. Performance of loans under CLA	
– Standard loans	151.89
– NPA loans	2.25
7. Details related to default loss guarantee, if any	Nil

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

(c) Details of stressed loans transferred (NPA) during the year ended March 31, 2026 (Previous year: Nil).

Particulars	To ARC
Number of accounts	1
Aggregate principal outstanding of loans transferred*	10.91
Weighted average residual tenor of the loans transferred (in years)	0.84
Net book value of loans transferred (at the time of transfer)	10.10
Aggregate consideration	10.50
Additional consideration realized in respect of accounts transferred in earlier years	–

*includes interest accrued

(c.i) following are the ratings of Security receipts held are given below:-

Recovery rating assigned by external rating agencies	As on March 31, 2026		As on March 31, 2025	
	Recovery Range	Amount	Recovery Range	Amount
IND RR2	75%-100%	100.72	75%-100%	143.16
IND RR3	50%-75%	13.54	50%-75%	293.2
IND RR4	25%-50%	189.11	–	–
IND RR5	Upto 25%	0.34	Upto 25%	2.43
IVR RR 1	–	–	100%-150%	69.47
IVR RR1+	>150%	1.64	>150%	97.41
IVR RR2	75%-100%	3.49	75%-100%	8.69
IVR RR4	25%-50%	7.16	–	–
IVR RR 5	–	–	0%-25%	13.52
IVR RR1	–	–	100%-150%	150.42
ACUITE RR4	–	–	25%-50%	2.13
ACUITE RR5	Upto 25%	1.28	–	–
RR1	–	–	100%-150%	101.79
RR2	–	–	75%-100%	107.17
RR3	50%-75%	1,172.76	50%-75%	1254.66
RR4	–	–	25%-50%	15.94
RR5	Upto 25%	3.24	–	–
Rating awaited for one transaction	–	7.01	–	–
Total Security receipts		**1,500.27**		**2,259.99**

(d) The Company has not acquired any loan during the year ended March 31, 2026 (Previous year: Nil).

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. AB Related Party Disclosure

As required in terms of paragraph B of Section I of circular RBI/2022-23/26 DOR.ACC.REC.No. 20/21.04.018/2022-23 dated April 19, 2022 - Disclosure in Financial Statemements- Notes to Accounts of NBFCs.

Related Party / Items	Category	Parent (As per ownership or control)		Subsidiaries**		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Borrowings	Maximum Transaction during the year*	–	–	–	70.00	–	–	–	–	–	–	–	–	–	70.00
	Transactions during the year	105.60	–	16.05	215.24	–	–	–	–	–	–	–	–	121.65	215.24
	Outstanding at year end	107.10	–	5.93	279.98	–	–	–	–	–	–	–	–	113.03	279.98
Deposits	Maximum Transaction during the year*	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Transactions during the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Outstanding at year end	–	–	–	1.86	–	–	–	–	–	–	–	–	–	1.86
Placement of Deposits	Maximum Transaction during the year*	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Transactions during the year	–	–	1.86	–	–	–	–	–	–	–	–	–	1.86	–
	Outstanding at year end	–	–	3.55	3.55	–	–	–	–	–	–	–	–	3.55	3.55
Advances	Maximum Transaction during the year*	–	–	–	150.00	–	–	–	–	–	–	–	–	–	150.00
	Transactions during the year	–	–	100.00	325.00	–	–	–	–	–	–	–	–	100.00	325.00
	Outstanding at year end	–	–	100.00	–	–	–	–	–	–	–	–	–	100.00	–
Investments	Maximum purchase during the year*	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Purchase Transactions during the year	211.94	95.00	–	–	–	–	–	–	–	–	–	–	211.94	95.00
	Maximum sale during the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Sales Transactions during the year	–	–	478.26	150.25	–	–	–	–	–	–	–	–	478.26	150.25
	Outstanding at year end***	352.06	205.46	0.18	63.68	–	–	–	–	–	–	–	–	352.24	269.14

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

Related Party / Items	Category	Parent (As per ownership or control) As at March 31, 2026	Parent As at March 31, 2025	Subsidiaries** As at March 31, 2026	Subsidiaries** As at March 31, 2025	Associates/Joint Ventures As at March 31, 2026	Associates/Joint Ventures As at March 31, 2025	Key Management Personnel As at March 31, 2026	Key Management Personnel As at March 31, 2025	Relatives of Key Management Personnel As at March 31, 2026	Relatives of Key Management Personnel As at March 31, 2025	Others As at March 31, 2026	Others As at March 31, 2025	Total As at March 31, 2026	Total As at March 31, 2025
Purchase of fixed/other assets8	Transactions during the year	–	–	0.02	–	–	–	–	–	–	–	–	–	0.02	–
Sale of Fixed/ Other assets8	Transactions during the year	–	–	93.58	0.01	–	–	–	–	–	–	–	–	93.58	0.01
Interest Paid #	Transactions during the year	1.12	16.72	1.20	10.46	–	–	–	–	–	–	–	–	2.32	27.18
	Outstanding at year end	0.57	–	0.03	21.91	–	–	–	–	–	–	–	–	0.59	21.91
Interest Received #	Transactions during the year	35.01	29.08	3.66	15.99	–	–	–	–	–	–	–	–	38.67	45.07
	Outstanding at year end	17.20	10.88	1.05	0.00	–	–	–	–	–	–	–	–	18.26	10.88
Reimbursement of Realised Loss on Security Receipts* (Refer Note-1)	Transactions during the year	–	181.22	–	–	–	–	–	–	–	–	–	–	–	181.22
Others* (Refer Note-1)	Transactions during the year	–0.05	0.69	115.33	113.75	–	–	6.96	13.19	–	–	–	–	122.24	127.63
	Outstanding at year end	49.69	104.48	68.44	83.57	–	–	–	–	–	–	–	–	118.13	188.05

Note:

1) *As required in above referred circular, the Company is required to specify item if total for the item is more than 5 per cent of total related party transaction, while calculating 5 per cent limit, the Company has taken sum of all transactions such as loan given, loan taken, purchase and sale of investment, securities, income & expenses, income etc. excluding closing balance of assets, liabilities. Others include total of all transactions (excluding closing balances) which are less than 5% individually.
2) * Maximum single transaction value entered amongst any of fellow subsidiary is considered.. In case investment, maximum single transaction value considered
3) **Including fellow subsidiaries, enterprises over which control is exercised by the parent company and alternative Investment Funds
4) * KMP amount includes sitting fees of independent director
5) *** At amortised cost or at fair value
6) $ Includes loan given
7) # Interest Expenses/Income recorded in P&L
8) Purchase and sale of Fixed/ Other asset includes purchase and sale of Loans/NCDs
9) Parent company include ultimate holding company

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

53. AC Breach of covenant

During the financial year ending as on 31 March 2026, there is no incidence of breach of covenant. (Previous year: Nil).

53. AD Divergence in Asset Classification and Provisioning

FY2024-25

The Company has received inspection report dated 10 September 2025 from Reserve Bank of India (RBI) for financial statements ending March 31, 2025. Based on the inspection report, Details of divergence are as follows:

a) Divergence in relation to Gross NPA identified by RBI

S. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2025 as reported by the NBFC	22.56
2	Gross NPAs as on March 31, 2025 as assessed by the Reserve Bank of India	22.56
3	Divergence in Gross NPAs (2-1)	–
4	Net NPAs as on March 31, 2025 as reported by the NBFC	12.76
5	Net NPAs as on March 31, 2025 as assessed by Reserve Bank of India	12.76
6	Divergence in Net NPAs (5-4)	–
7	Provisions for NPAs as on March 31, 2025 as reported by the NBFC	9.80
8	Provisions for NPAs as on March 31, 2025 as assessed by Reserve Bank of India	9.80
9	Divergence in provisioning (8-7)	–
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2025	55.14
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2025	46.30
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2025 after considering the divergence in provisioning	46.30

53. AE Loan against gold and silver collateral in current and previous year : Nil.

53. AF Loan for project finance in current and previous year : Nil.

53. AG Loan to directors, senior officers and relatives of directors during the current and previous year: Nil.

53. AH Non-fund based (NFB) credit facilities in current and previous year: Nil

53. AI Unsecured advances against intangible collateral such as charge over the rights, licenses, authority, etc. in current and previous year : Nil.

53. AJ Exposures to Related Parties

S. No.	Particulars	FY2025-26	FY2024-25
	A. Loans to Related Parties		
1	Aggregate value of loans sanctioned to related parties during the year	100.00	325.00
2	Aggregate value of outstanding loans to related parties as on 31st March	100.00	–
3	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March	0.02	–
4	Aggregate value of outstanding loans to related parties which are categorized as:		
	(i) Special Mention Accounts as on 31st March	–	–
	(ii) Non-Performing Assets as on 31st March	–	–
5	Amount of provisions held in respect of loans to related parties as on 31st March		
	B. Contracts and Arrangements involving Related Parties		
6	Aggregate value of contracts and arrangements awarded to related parties during the year*	1,005.58	623.93
7	**Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March****	510.72	630.84

Notes to the Financial Statement for the year ended March 31, 2026

(Currency: Indian rupees in crores)

* Considered absolute gross value of contracts or arrangements made during the year excluding loans given as covered separately in above table.

** Considered total outstanding value of above contracts or arrangements.

54 Other Disclosures

a The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

b There are no amount due and outstanding to be credited to Investor Education and Protection Fund As at March 31, 2026.

55 The financial statements of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meeting held on April 24, 2026 and April 26, 2026.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **G. K. Choksi & Co.**
Chartered Accountants
ICAI Firms Registration: 101895W

Sandip A. Parikh
Partner
Membership No.: 40727

Mumbai, April 26, 2026

For and on behalf of the Board of Directors

Ajay Khurana
Managing Director
DIN: 09076961

Kashmira Mathew
Executive Director
DIN: 02341875

Sandeep Agarwal
Chief Financial Officer

Mumbai, April 26, 2026

Inara Wadhwania
Company Secretary
Membership No.: ACS65806

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Ideas create, values protect
ECL Finance Ltd.

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