efl

AGILE

Annual Report

2025-26

Electronica Finance Limited

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Ms. Shilpa Pophale	Managing Director & CEO
2. Mr. Sujit Natekar	Non-Executive Director
3. Mr. Ameya Bijoor	Non-Executive Director
4. Mrs. Smita Sandhane	Independent Director
5. Ms. Sandhya Vasudevan	Independent Director
6. Mr. Stewart Langdon	Non-Executive Director
7. Mr. Anurag Agrawal	Non-Executive Director
8. Mr. Uday Chitale	Independent Director (w.e.f. August 13, 2025)
9. Mrs. Uma Mandavgane	Independent Director (w.e.f. August 13, 2025)

CHIEF FINANCIAL OFFICER

Mr. Vipin Maheshwari

COMPANY SECRETARY

Mr. Vallabh Ghate (till February 13, 2026)
Ms. Shraddha Lukkad (w.e.f. February 14, 2026)

STATUTORY AUDITORS

Sharp & Tannan Associates, Chartered Accountants
802, Lloyds Chambers, Dr. Ambedkar Road, Opp. Ambedkar Bhavan, Pune - 411011

SECRETARIAL AUDITORS

NAM & Associates, Company Secretaries
3rd Floor, Samarth Building, Plot 14, Pinak Colony,
Near Bank of India, Karve Nagar, Pune 411052

INTERNAL AUDITORS

Kirtane & Pandit LLP, Chartered Accountants
5th Floor, Wing A, Gopal House, S.No. 127/1B/11,
Opp Harshal Hall, Above HDFC Ltd., Karve Road, Pune 411029

OUR FINANCERS

- Aditya Birla Finance Limited
- AK Capital Finance Limited
- AU Small Finance Bank
- Axis Finance
- Bajaj Finance Limited
- Bandhan Bank
- Tipsons Financial Services Pvt Ltd
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Canara Bank
- CSB Bank
- DMI Housing Finance Pvt Ltd
- HDFC Bank
- Nabsamruddhi Finance (NABARD)
- Yubi / Credavenue
- Phillip Services India Pvt Ltd
- Unity Small Finance Bank
- IDBI Bank
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- Karur Vyas Bank Limited
- Kisetsu Saison Finance Pvt. Ltd.
- Triple Jump – Stitching Oxfam Novib
- Lighthouse Canton
- Maharashtra Gramin Bank
- Nabkisan Finance (NABARD)
- Dhanlaxmi Bank Limited
- Naval Group Insurance Fund
- Northern Arc Capital Ltd
- ResponsAbillity- GCPF
- Triple Jump – Dutch Good Growth Fund
- Federal Bank Limited
- Phillip Finance and Investment Services India Pvt Ltd
- MAS Financial Services Limited
- SIDBI
- Capital Small Finance Bank Ltd
- State Bank of India
- Symbiotics - AAV SARL
- Symbiotics - Masala Investments
- Tata Capital Financial Services
- Equitas Small Finance Bank Ltd
- DCB Bank Limited
- State Bank of Mauritius
- UCO Bank
- Unifi AIF
- Union Bank
- Utkarsh Small Finance Bank Ltd
- Yes Bank Limited
- Triple Jump – Energy Entrepreneur Growth Fund
- ESAF Small Finance Bank Ltd
- Phillip Commodities India Pvt Ltd

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Address: 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013
Email: dt.mumbai@ctltrustee.com | **Phone**: +91 (022) 4922 0555

Vardhaman Trusteeship Private Limited
Address: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
Email: compliance@vardhmantrustee.com | **Phone**: +91 (022) 4264 8335

IDBI Trusteeship Services Limited
Address: Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400001
Email: secu@idbitrustee.com | **Phone**: +91 (022) 4080 7020

Beacon Trusteeship Limited
Address: 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051
Email: teamsecu@beacontrustee.co.in | **Phone**: +91 (022) 4606 0278

MITCON Credentia Trusteeship Services Limited
Address: 1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211,
Nariman Point, Mumbai – 400021
Email: secu@mitconcredentia.in | **Phone**: +91 (022) 2282 8200

REGISTRAR & TRANSFER AGENT

MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited)
C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai, 400083
Email: mumbai@in.mpms.mufg.com | **Phone**: 1800 1020 878

CONTACT INFORMATION

Electronica Finance Limited
Registered Office: Audumbar, 101/1, Erandwane, Dr Ketkar Road, Pune, 411004
Email : investor.relations@efl.co.in | www.electronicafinance.com | **Phone** : +91 – 020 - 67290700
Corporate Identification Number : U74110PN1990PLC057017

LETTER FROM

SHILPA POPHALE

The Managing Director & CEO

> Despite external headwinds, EFL demonstrated **resilience** and **agility**, delivering record performance and laying a **stronger foundation** for the next phase of growth.

FY26 was marked by heightened global uncertainty. The war between Russia and Ukraine continued, while the beginning of the war between Iran and the alliance between US and Israel added to the tensions. These conflicts disrupted global energy markets and supply chains even further. Trade tensions intensified as the US tariffs prompted businesses to recalibrate investment strategies. While inflation moderated across major economies, growth remained uneven amid elevated interest rates and policy uncertainty. Global trade and capital flows remained volatile, with businesses increasingly prioritising strategic investments and diversification of risk over efficiency.

Against this challenging backdrop, India once again emerged as one of the world's fastest-growing economies, supported by private consumption, sustained capital expenditure, and strong momentum in the manufacturing sector. The GDP growth remained robust during FY26, supported by strong domestic demand. Economic growth backed by the stability of domestic markets further strengthened India's position as a preferred destination of global investment flows. The financial sector of India remained stable as well, with healthy credit growth, improving asset quality, and continued expansion of the NBFC sector. I believe that despite external headwinds, India's resilience has now reinforced its position as a key engine of global growth. One of the strongest drivers of this growth is the manufacturing sector with 17% contribution to GDP expected to rise to 25% in the next decade.

In FY26, EFL undertook an operational change prompted by the regulatory changes implemented by the RBI, shifting away from the previous model of accepting cash-collateral as a form of security. Another pivotal shift for EFL was the decision to move from Micro-LAP to Affordable-LAP in our Emerging Enterprise Loans (EEL) business-line. This was a substantial effort as we not only recalibrated our credit policies for a higher ticket size, but also moved to a different customer segment. I believe the shift has further aligned this business-line with the rest of our long-term strategy, focusing on the manufacturing MSME ecosystem while also mitigating credit risks and avoiding high delinquencies. The challenges faced by the industry in Micro-LAP segment were due to reliance on semi-rural and agricultural ecosystem. Therefore, it was strategic decision to move towards MSMEs in the manufacturing ecosystem.

But despite these turbulences EFL has continued to move with agility to adapt to the global and industrial shifts and delivered on key matrices.

Highlights of our performance are as under:

- Highest ever Annual Disbursement of 3,027 Cr. (Y-o-Y growth of 13%)
- Highest ever Disbursement of 2,517 Cr. by Machine Finance business-line (Y-o-Y growth of 27%)
- EFL AUM reached a new high of 5,575 Cr. (Y-o-Y growth of 14%)
- Maintained asset quality with GNPA of 2.08% and Net NPA of 1.1%
- Complete stabilization of Loan Management System (LMS)
- Excellent treasury management with cost of funds reduction of 50bps and addition of seven new lenders.
- Recruitment and promotions at senior management - CXO level: Chief Business Officer, Chief Risk Officer, Chief Operating Officer. Recruitment of senior managers in Operations, Finance, and Sales.
- Started working on the next round of equity raise with the appointment of Investment Bankers
- Kick-started the implementation of new LOS, CRM and collections module

Your company holds that the resources at its disposal are entrusted to it by the larger society. Therefore, the CSR activities have never been done solely for the adherence to the mandate but to impact the society to the best possible extent. We focus on the key pillars of Environment & Sustainability, Healthcare, Education & Skill Development, and Livelihood Generation. Thus, EFL continued working with the National Apprenticeship programme, training the underprivileged youth for better job opportunities. We also worked in collaboration with The Grasslands Trust for development of a grasslands ecosystem. In addition, we worked with several NGOs across pillars, focusing on care for epilepsy patients, life-skills education, and gifted child programmes in tribal communities. Your company has also continued impact reporting in-line with the ESG policy for DFIs and for our equity partners as well.

Your company has been growing for the last three decades not only in size but in deep expertise and foothold in the manufacturing ecosystem and MSME space. The company's operations are now at a point where these can be leveraged to scale-up substantially.

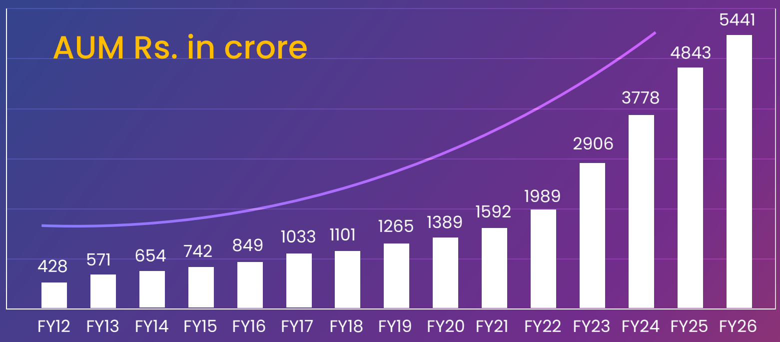
Therefore, EFL will plan to achieve the following in the upcoming financial year:

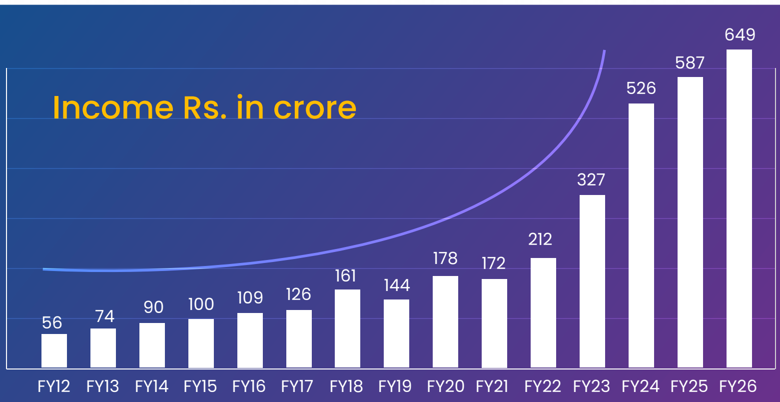
- Ensure that EFL continues to be a market leader in machine financing with a focus on profitability
- Completion of the sale of the micro LAP business to ensure that senior level bandwidth is available for other business priorities
- Scale-up the solar finance business-line and LAP business-line to increase the growth rate of AUM and disbursement
- Sharper focus on Op-ex optimization and Profitability
- Product diversification in order to increase revenues
- Conclude the 3rd round of equity raise
- Implementation of one-stop IT solution for Loan Origination System (LOS), Customer Relationship Management (CRM), and Business Rule Engine (BRE) and Collections Module.
- Increase collection efficiency and asset quality through heightened control on process and monitoring through technology.
- Recruit at senior leadership positions for Legal, HR, and marketing, and Business.
- Strengthen and re-engineer processes for scalability

I wish to express my gratitude to all the stakeholders of the company, starting from our customers for choosing us as a partner for creating their success stories. In addition, I want to thank all the employees for their dedication and commitment to the organization. I also want to thank the investors, banking partners, business partners, and all of you for your continued support. I have no doubt that your company will continue its legacy and deliver value in the long-run.

Snapshot of Company Performance

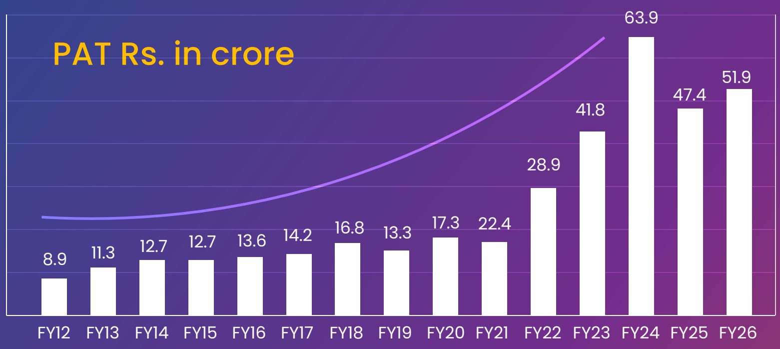
CAGR
18.5%

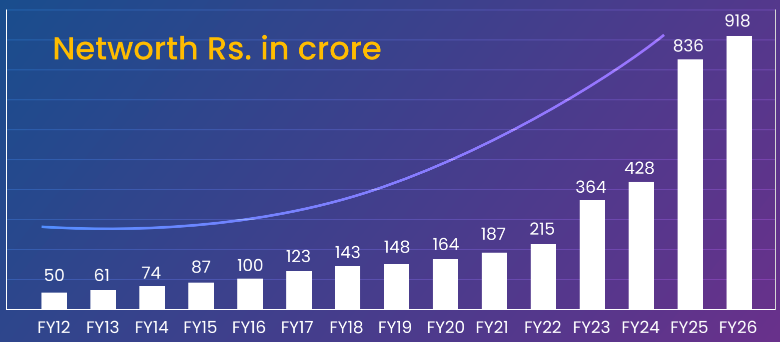




CAGR
17.7%

CAGR
12.5%





CAGR
21.4%

A-Act

- AUM at an all-time high of ₹**5,575** Cr (↑ 14% YoY) while maintaining strong asset quality (GNPA 2.08%)

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TO,
THE MEMBERS,
ELECTRONICA FINANCE LIMITED

The Board of Directors ("**Board**") are delighted to present the 36th Annual Report of **Electronica Finance Limited** ("**the Company**" or "**EFL**") covering the business and key operational highlights of your Company together with the Audited Financial Statements and Independent Auditors' Report thereon, for the financial year ended March 31, 2026.

FINANCIAL RESULTS AND HIGHLIGHTS

- **FINANCIAL SUMMARY**

The summary of the Company's financial performance for the year ended March 31, 2026 as compared to the financial year ended March 31, 2025 is given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	Change in %
Revenue from Operations	61,073.64	54,139.39	12.81%
Other Income	3,798.01	4,602.79	-17.48%
Total Revenue	**64,871.65**	**58,742.18**	**10.43%**
Total Expenses	57,987.38	52,511.98	10.43%
Profit before exceptional item and tax	**6,884.27**	**6,230.20**	**10.50%**
Exceptional item	332.27	-	-
Profit before tax	**6,552.00**	**6,230.20**	**5.17%**
Total tax expenses	1,358.12	1,491.14	-8.92%
Profit after tax	**5,193.88**	**4,739.06**	**9.60%**
Other comprehensive income/ (loss) for the year (net of tax)	251.89	-351.42	-
Total Comprehensive Income (Net of Tax)	**5,445.77**	**4,387.64**	**24.12%**
Surplus at the beginning of the accounting period	24,280.43	20,840.61	-
Appropriations			
Transfer to Statutory Reserve	-1,038.78	-947.81	-
Dividend and related distribution tax	-0.03	-0.01	-
Balance carried forward	**28,687.39**	**24,280.43**	**-**

- **HIGHLIGHTS OF FINANCIAL PERFORMANCE**

Your Company remains focused on lending to Micro, Small and Medium Enterprises (MSMEs). The Company witnessed continuous growth and consistent performance in FY 2025-26. The key financial performance indicators for the year are as follows:

- The gross income of the Company surged to ₹ 64,871.65 Lakhs, marking a growth of 10.4% as compared to ₹ 58,742.18 Lakhs in the previous year.
- The total loan assets under management of the Company increased from ₹ 4,843.4 Crores to ₹ 5,441.2 Crores reflecting a growth of 12.3%.
- The Company's net profit increased by 9.6%, from ₹ 4,739.06 Lakhs to ₹ 5,193.88 Lakhs.
- The Company effectively managed its asset quality, reporting a Gross NPA of 2.1% and Net NPA of 1.1%.
- The Capital Adequacy Ratio as of March 31, 2026, stands at 22.79%, reflecting a strong net worth position which is well above the stipulated requirement of 15% by the Reserve Bank of India.
- During the year, the Company has disbursed loans totaling to ₹ 3,027 Crores which represents growth of 12.5% as compared to ₹ 2,689 Crores for the financial year ended March 31, 2025.

- **TRANSFER TO RESERVES**

  According to the provisions of section 45-IC of the RBI Act, 1934, Non-Banking Financial Companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of an amount of ₹ 1038.78 Lakhs to Statutory Reserves. The Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity buffer and asset cover at all times to fulfill its obligations under debenture documents.

- **DIVIDEND**

  In view of the future growth of the Company, the Board of Directors has decided to conserve capital and therefore no dividend on equity shares was declared for FY 2025-26.

  Further, the Board recommended dividend on preference shares, for the financial year 2025-26 at the rate of 0.001% of face value of preference shares amounting to ₹ 2,997/- (Indian Rupees Two Thousand Nine Hundred Ninety-Seven only) at its meeting held on August 13, 2026, which is subject to approval of the shareholders at the ensuing Annual General Meeting.

- **BORROWINGS**

  During the year under review, the Company continued with its diverse methods of sourcing funds including borrowing through Term Loan, Working Capital Facilities, Non-Convertible Debentures (NCDs), Commercial Paper, External Commercial Borrowings, and maintained prudential Asset Liability match throughout the year. Your Company sourced funds by way of issuing debentures to and obtaining loans from banks and other institutions at competitive rates and continues to expand its borrowing profile by tapping new lenders.

  During the year, the Company has raised fresh term loans amounting to ₹ 1,285 crores, Non-Convertible Debentures (NCDs) amounting to ₹ 77.40 crores and Subordinated debts (Tier II) amounting to ₹ 100 crores from banks and other financial institutions for a door-to-door tenor ranging from 3 to 5.5 years.

  As on March 31, 2026, the Company had a total outstanding borrowings of ₹ 3,06,132.69 lakhs with secured borrowings constituting ₹ 2,78,547.45 lakhs. No interest payment or principal repayment of the loans was due and unpaid as on March 31, 2026.

OPERATIONAL HIGHLIGHTS

- Highest ever Annual disbursement of ₹ 3,027 crores with Y-o-Y growth of 12.5%;
- Highest ever disbursement of ₹ 2,517 crores in Machine Finance with Y-o-Y growth of 27%;
- The Company further expanded its lender base during the year through onboarding of seven new lenders.

ACCOUNTING METHODOLOGY

The financial statements of the Company for FY 2025-26 have been prepared in compliance with the Companies Act, 2013 (the 'Act'), applicable Accounting Standards and amendments thereto and are disclosed in accordance with Schedule III of the Act. The financial statements are presented in Indian Rupees and all values are rounded to the lakhs, except wherever otherwise indicated.

Further, in pursuance to the notification issued by the Ministry of Corporate Affairs ("MCA") we would like to apprise that your Company has established the accounting systems in such a way so as to maintain audit trail of each and every transaction in order to prevent fraud and to manage the risk effectively and efficiently viz; malware and cyber security risk in line with compliance of notification issued by MCA in this regard.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

FY26 was a year of resilience and strategic transformation for the Company. Despite global geopolitical uncertainties and a dynamic macroeconomic environment, India continued to demonstrate strong economic fundamentals, supported by sustained policy reforms, infrastructure investments and a robust MSME ecosystem. The NBFC sector remained resilient, benefiting from rising credit demand and improving financial inclusion. Against this backdrop, the Company strengthened its market position through strategic portfolio realignment, disciplined risk management and continued focus on the manufacturing-led MSME segment. With expanding capabilities and a clear long-term growth strategy, the Company is well positioned to capitalise on emerging opportunities and deliver sustainable value to all stakeholders.

Global Economic Scenario

The global economy entered 2026 with resilient growth momentum supported by easing financial conditions, technology-led investments and moderating trade tensions. However, the outbreak of conflict in the West Asia has significantly altered the global economic landscape, creating fresh challenges through disruptions in energy markets, higher commodity prices and increased geopolitical uncertainty. The closure of key energy transit routes and supply disruptions have intensified inflationary pressures, weakened consumer purchasing power and tightened global financial conditions, particularly for energy-importing economies.

According to the International Monetary Fund (IMF), global GDP growth is projected at 3.1% in 2026 and 3.2% in 2027, reflecting a moderation from recent years. Global headline inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027, driven primarily by elevated energy prices and supply-side disruptions. While advanced economies are expected to remain relatively resilient, emerging market and developing economies, particularly commodity-importing nations, face heightened risks arising from inflation, exchange rate volatility and external financing pressures.

Beyond the immediate geopolitical developments, structural trends continue to reshape the global economy. Accelerated adoption of artificial intelligence, digital transformation and technology investments are expected to support productivity and long-term growth. At the same time, increasing geo-economic fragmentation, evolving global trade patterns and concentration of critical mineral supply chains present new risks for businesses and policymakers alike. Sustained macroeconomic stability will depend on prudent monetary and fiscal policies, strengthened global cooperation and continued investment in productivity-enhancing technologies. Despite near-term uncertainties, these structural drivers are expected to support the global economy's long-term growth trajectory.

Indian Economic Outlook

India continued to demonstrate remarkable economic resilience amid an increasingly uncertain global environment, supported by strong domestic demand, prudent macroeconomic management and sustained structural reforms. Despite heightened geopolitical tensions, global trade disruptions and volatile capital flows, the Indian economy maintained robust growth momentum, underpinned by healthy consumption, resilient investment activity and improving productivity. The Government's continued focus on fiscal consolidation, infrastructure development, manufacturing competitiveness and ease of doing business has further strengthened the country's long-term growth prospects.

The Economic Survey 2025–26 projects India's real GDP growth for FY27 in the range of 6.8% to 7.2%, while revising the country's potential growth rate upward to 7.0%, reflecting improvements in infrastructure, logistics efficiency, public investment and supply-side reforms. Inflation has remained broadly contained with easing core inflation, supported by improved supply conditions and calibrated monetary policy. India's banking system continues to remain well-capitalised, corporate balance sheets are healthy, credit growth remains robust and liquidity conditions are supportive of economic expansion. The Government has also maintained its commitment towards fiscal discipline while continuing to prioritise capital expenditure to create long-term productive assets.

Looking ahead, India's medium to long-term outlook remains favourable, driven by continued investments in infrastructure, manufacturing, digitalisation, skilling and innovation. Structural reforms aimed at strengthening MSMEs, enhancing export competitiveness, expanding global value chain participation and improving regulatory efficiency are expected to further reinforce economic resilience. While external risks arising from geopolitical uncertainties, global financial market volatility and trade realignments remain, India's strong domestic fundamentals, favourable demographics and reform-oriented policy framework position the economy well to sustain inclusive and broad-based growth over the coming years.

Indian MSME Landscape

The Micro, Small and Medium Enterprises (MSMEs) sector continues to serve as a key pillar of India's economic growth, contributing significantly to entrepreneurship, employment generation, manufacturing output and exports. With its ability to generate employment at relatively low capital investment, the MSME sector remains instrumental in supporting inclusive and sustainable economic development.

The Government of India has continued to strengthen the MSMEs ecosystem through policy interventions aimed at improving access to formal finance, digital adoption, market access and ease of doing business. Initiatives such as the expansion of the Udyam Registration framework, enhancement of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), mandatory procurement from MSMEs, and the introduction of the Online Dispute Resolution

(ODR) Portal have significantly improved formalisation, credit availability and resolution of delayed payment issues. These measures are expected to enhance operational resilience and support long-term growth of the sector.

Looking ahead, the MSME sector is well-positioned to benefit from continued government support, increasing digitalisation, expanding manufacturing activity and greater integration into global value chains. As India's industrial ecosystem evolves, MSMEs are expected to play an increasingly important role in driving economic growth, employment creation and export competitiveness. Continued policy support, improved access to institutional credit and technology adoption are expected to further strengthen the sector's contribution to the Indian economy.

NBFC Sector Overview

India's Non-Banking Financial Company (NBFC) sector continues to play a pivotal role in deepening financial inclusion by extending formal credit and demonstrated resilience despite a dynamic operating environment marked by evolving regulatory norms, changing interest rate cycles and global macroeconomic uncertainties. Supported by healthy credit demand, improving funding conditions and strong capitalisation, NBFCs continue to complement the banking system by offering agile, customer-centric financing solutions. While near-term profitability remains subject to elevated credit costs and asset quality monitoring, the sector is expected to maintain a stable growth trajectory, aided by prudent risk management, diversified funding sources and sustained demand for retail and MSME credit.

The NBFC-Retail segment continues to be a key growth driver within the industry. According to ICRA, retail NBFC assets under management (excluding housing finance companies) are expected to grow by 16–18% in FY27, with the industry's AUM projected to exceed ₹ 30 lakh crore. Growth is expected to be supported by robust demand across gold loans, vehicle finance and personal and consumption loans, alongside easing borrowing costs and improving access to market funding. Although credit costs are likely to remain elevated in the near term due to asset quality seasoning, the sector's healthy capitalisation, stable net interest margins and gradual moderation in the cost of funds are expected to support profitability and long-term growth. With continued digital adoption, expanding financial penetration and increasing formalisation of credit demand, the NBFC-Retail sector remains well positioned to capitalise on India's evolving retail credit landscape.

Future Outlook

India's economic outlook remains favourable, driven by resilient domestic demand, sustained infrastructure investments, digital transformation and continued structural reforms. The Government's focus on strengthening the manufacturing ecosystem, enhancing MSMEs competitiveness, expanding formal credit access and improving the ease of doing business is expected to create significant opportunities for the financial services sector. The NBFC industry is well positioned to benefit from these developments through increasing financial inclusion, technology-led lending, diversified funding sources and growing demand for secured retail and MSMEs financing.

Aligned with these macroeconomic trends, the Company remains committed to being a trusted growth partner for India's MSMEs. The Company will continue to expand its product offerings, strengthen its geographic presence, enhance digital capabilities and leverage data-driven decision-making to improve customer experience and operational efficiency. With a prudent risk management framework, disciplined capital allocation and a customer-centric approach, the Company aims to deliver sustainable, profitable growth while creating long-term value for its customers, employees, investors and other stakeholders.

Business Performance

Within the Emerging Enterprise Loans (EEL) vertical, the Company undertook a strategic portfolio shift from micro-LAP to affordable LAP, with increased focus on manufacturing-led MSMEs ecosystem. Due to regulatory requirements, in the machine finance vertical there was a complete transition of the business model. EFL has continued to move with agility to adapt to the global, industrial and regulatory shifts and delivered on key matrices.

In FY'26, the annual disbursements of ₹ 3,027 Crores came in with a Y-o-Y growth of 12.5%, and the machine finance vertical saw disbursements of ₹ 2,517 crores with a Y-o-Y growth of 27%, taking Company's AUM to a new high of ₹ 5,441.2 crores (excluding lease & considering all verticals), with a Y-o-Y growth of 12.3%. These were enabled by strategic shifts in geographic and sourcing strategy.

Technology & Digital Transformation

The Company continues to invest in technology as a key enabler of scalable growth, operational excellence and superior customer experience. The company's digital transformation agenda is focused on creating a future-ready technology ecosystem that enhances ease of doing business, improves productivity and reduces turnaround time across the lending lifecycle.

As part of this transformation, the Company has partnered with Jocata to implement an integrated digital platform encompassing Loan Origination System (LOS), Customer Relationship Management (CRM), Business Rules Engine (BRE) and Collections module. The unified platform is designed to streamline sales, underwriting, disbursement and collections through system-driven workflows, scorecard-driven decision making, and integrated process governance.

The technology architecture incorporates AI-enabled credit assessment, rule-based underwriting, GST and banking analytics, bureau-based scorecards, behavioural risk assessment and triangulated credit evaluation to strengthen underwriting quality and accelerate credit decisions. In addition, the platform supports regulatory compliance, information security standards and enabling greater operational control and governance. These technology investments are expected to deliver a simplified and seamless customer journey through enhanced self-service capabilities, standardised underwriting and faster loan processing.

Internal Financial Control Systems and Their Adequacy

The Company's well-defined organisational structure, documented policies and internal financial controls ensure the efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its internal control systems and undertakes review of policies as and when required. We have conducted external review of the existing processes and have revised the process matrix across department with enhanced financial control and as per industry standard.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial statements. The Audit Committee of the Board reviews internal audit reports and also monitors the implemented suggestions.

For the year under review, the Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. Further, the statutory auditors have, in compliance with the requirements of the Companies Act, 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, details of which may be referred to from the Auditor's Report attached to the audited financial statements of FY 2025-26.

Human Resources

At the Company, people remain the cornerstone of success and a critical enabler of our long-term growth strategy. Their dedication, expertise, and unwavering commitment continue to drive operational excellence and help the organisation navigate an evolving business landscape. The Company firmly believes that investing in our workforce is fundamental to sustaining competitive advantage and delivering value to all stakeholders.

During FY 2025-26, the Company continued its journey toward building a high-performance, future-ready workforce by fostering a culture centered on learning, collaboration, innovation, and employee well-being. People practices are designed to create an environment where talent flourishes, employees feel empowered to contribute meaningfully, and individual aspirations align with organisational objectives.

As part of its commitment to strengthening employee engagement, the Company introduced several initiatives aimed at enhancing employee morale, recognition, and connection with the organization. A special engagement program was conceptualized for our best-performing Core and Retail branches, aligned with the Managing Director's branch visits. These interactions provided valuable opportunities to recognize exceptional performance, celebrate team achievements, and strengthen leadership connect across the organisation.

Employee health and wellness continued to remain a key priority. During the year, the Company organised medical health camps across 22 locations, offering preventive healthcare services and wellness consultations to employees. In addition, blood donation drives were successfully conducted at 10 locations, reinforcing the Company's commitment to employee well-being and social responsibility while encouraging a culture of community participation and care.

Recognising the pivotal role of frontline leadership in driving business performance, the Company conducted focused reinforcement training programs for Branch Managers (BMs) and Area Sales Managers (ASMs). These interventions were designed to enhance leadership effectiveness, strengthen people management capabilities, improve customer engagement, and equip our managers with the skills required to lead high-performing teams in a dynamic operating environment.

Learning and development continued to be a strategic focus area. We further strengthened its capability-building framework through structured training interventions delivered by experienced subject matter experts and internal leaders. These programs focused on functional excellence, leadership development, compliance awareness, and productivity enhancement, enabling employees to continuously upgrade their skills and contribute effectively to organisational success.

The Company's digital transformation journey within Human Resources also progressed significantly during the year. HR automation initiatives were expanded to streamline employee lifecycle processes, enhance operational efficiency and improve employee experience. Key interventions included further digitisation of HR workflows, enhanced self-service capabilities through the HRMS platform, automated approvals and communications, and technology-enabled learning modules. These initiatives improved process transparency, reduced turnaround times and enabled employees to access HR services seamlessly.

Building a workplace where employees feel valued and appreciated remains an important priority. The Company's rewards and recognition programmes continued to evolve, ensuring timely acknowledgement of outstanding contributions, fostering healthy competition and motivating employees to achieve higher levels of performance.

As the Company continues its growth journey, it remains committed to nurturing a people-first culture that encourages innovation, accountability, continuous learning and work-life integration. Through sustained investments in employee development, wellness, engagement and technology-driven HR practices, the Company aims to create an inclusive and inspiring workplace where every employee has the opportunity to grow, succeed and contribute to its long-term vision.

As on March 31, 2026, the Company's workforce stood at 1,765 employees, comprising 123 female employees and 1,642 male employees. The growth in workforce reflects the Company's continued expansion and its focus on attracting, developing and retaining high-quality talent to support future growth and evolving customer needs.

CREDIT RATING

The Credit ratings on various bank facilities and debt instruments of the Company during the year under review are given below:

Name of Credit Rating Agency	Type of Instrument	Credit Rating as on March 31, 2026	Nature of Securities
India Ratings & Research (A Fitch Group Company)	Bank Facilities	'IND A' with Stable Outlook	Bank Loan
	NCD's	'IND A' with Stable Outlook	Secured/Unsecured NCD's on Private Placement basis
ICRA Limited	NCD's	'[ICRA] A' with Stable Outlook	Secured NCD's on Private Placement basis
	Commercial Paper	'[ICRA] A1'	CP on Private Placement basis

COMPLIANCE AND REGULATORY

During the year under review, the Company has complied with all the prudential norms, regulations and guidelines prescribed by RBI applicable to NBFCs and the laws, regulations, circulars, notifications as required under the Companies Act, 2013, all the applicable SEBI Regulations, tax laws and other regulatory provisions.

SCALE BASED REGULATIONS

Pursuant to 'Reserve Bank of India (NBFC – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and consolidated Master Directions issued by the Reserve Bank of India, as amended from time to time, the Company was categorised as NBFC Middle Layer ("NBFC-ML") and it continues to be under the same category till the date of this report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitments which affected the financial position of your Company, which occurred between the end of the financial year i.e. March 31, 2026 up to the date of this Report.

BUY BACK OF SECURITIES | SWEAT EQUITY SHARES | BONUS SHARES

The Company has not bought back any of its securities and has not issued any Sweat Equity shares or Bonus shares during the year under review.

EMPLOYEES STOCK OPTION PLAN

The details of Options granted and exercised are included in Note no. 42 in the notes to accounts forming part of financial statements.

SHARE CAPITAL

I. During the financial year 2025-26, your Company has increased its Share Capital in following manner:

	As on March 31, 2025	Change	As on March 31, 2026
Authorised Share Capital	**₹ 7,250 Lakhs**	**-**	**₹ 7,250 Lakhs**
Equity Shares	₹ 3,650 Lakhs consisting of 3,65,00,000 equity shares of ₹ 10/- each.	-	₹ 3,650 Lakhs consisting of 3,65,00,000 equity shares of ₹ 10/- each.
Preference Shares	₹ 3,600 Lakhs consisting of 1,80,00,000 Preference Shares of ₹ 20/- each.	-	₹ 3,600 Lakhs consisting of 1,80,00,000 Preference Shares of ₹ 20/- each.
Issued, Subscribed and Paid-Up Share Capital	**₹ 5,382.67 Lakhs**	**Increase***	**₹ 5,538.88 Lakhs**
Equity Shares	₹ 2,504.01 Lakhs consisting of 2,50,40,121 Equity Shares of ₹ 10/- each.	₹ 38.15 Lakhs consisting of 3,81,498 Equity Shares of ₹ 10/- each.	₹ 2,542.16 Lakhs consisting of 2,54,21,619 Equity Shares of ₹ 10/- each.
Preference Shares	₹ 2,878.66 Lakhs consisting of 1,43,93,307 Preference Shares of ₹ 20/- each.	₹ 118.06 Lakhs consisting of 5,90,292 Preference Shares of ₹ 20/- each.	₹ 2,996.72 Lakhs consisting of 1,49,83,599 Preference Shares of ₹ 20/- each.

*During the financial year 2025-26, the Company allotted 3,81,498 Equity Shares on September 26, 2025, pursuant to the Rights Issue undertaken by the Company. Further, the Company allotted 5,90,292 Compulsorily Convertible Preference Shares (CCPS) on October 14, 2025, on private placement basis to existing investor, Wanaka Inclusion Limited.

II. During the financial year 2025-26, the Company has issued following Non-Convertible Debentures on Private Placement Basis, as follows:

a. 7,740 senior, secured, rated, listed, redeemable, transferable, non-convertible debentures having face value of ₹ 1,00,000/- (Indian Rupees One Lakhs) each aggregating to ₹ 77,40,00,000/- (Rupees Seventy-Seven Crores Forty Lakhs) on August 07, 2025.

b. 10,000 rated, listed, unsecured, taxable, subordinated (Tier II), transferable, redeemable, non-convertible debentures having face value of ₹ 1,00,000/- (Indian Rupees One Lakhs) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crores) on January 16, 2026.

III. During the financial year 2025-26, the Company has redeemed the following Non-Convertible Debentures:

a. 1,18,650 unsecured, rated, unlisted, redeemable non-convertible debentures having face value of ₹ 5,000/- (Rupees Five Thousand Only) each aggregating to 59,32,50,000 (Rupees Fifty-Nine Crores Thirty-Two Lakhs Fifty Thousand) on June 13, 2025.

IV. During the financial year 2025-26, the Company has redeemed following Commercial Papers:

a. 500 unsecured, rated, listed, commercial papers in the form of usance promissory note in the denominations of Rs. 5,00,000/- (Rupees Five Lakhs Only) and in multiple thereof for an aggregate amount of ₹ 25,00,00,000/- (Rupees Twenty-Five Crores) on August 18, 2025.

LISTING OF SECURITIES

During the year, the Company has issued Non- Convertible Debentures on private placement basis which are listed on Wholesale Debt Market at BSE Limited, whereas the equity shares of the Company are not listed on any Stock Exchange.

CUSTOMER GRIEVANCE

Your Company strives to deliver exceptional customer experience by proactively addressing and reducing complaints over time. The Company has a dedicated team for customer relationship that deals with the concerns or complaints raise by the customers. It has implemented the grievance redressal mechanism, the RBI Integrated Ombudsman scheme within the organisation to deal with the unresolved concerns and complaints of its customers. All grievances raised by the customers are dealt with courtesy and redressed expeditiously.

FAIR PRACTICES CODE

The Company adheres to the Fair Practices Code (FPC) recommended by the Reserve Bank of India which seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business to ensure better service and provide necessary information to customers enabling them to take informed decisions. The details of the Fair Practice Code are available on the website of the Company at https://www.electronicafinance.com/investor-relations/ under Policies section.

STATUTORY AUDITORS AND THEIR REPORT

In accordance with the 'Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC)' dated April 27, 2021 ('Circular'/'Guidelines') issued by the Reserve Bank of India, the Company shall appoint the statutory auditors for the continuous period of three (3) years, subject to the firm satisfying the eligibility norms on an annual basis.

In compliance with the RBI guidelines and provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 34th Annual General Meeting convened on September 27, 2024 had appointed M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) as Statutory Auditors of the Company for a term of three years i.e., till the conclusion of the 37th Annual General Meeting of the Company to be held in year 2027. The Company obtains the declaration of fulfilment of eligibility criteria in accordance with the provisions of Section 141 of the Companies Act, 2013 and guidelines issued by RBI from the Statutory Auditors on an annual basis.

The audit report for the financial year ended March 31, 2026 submitted by M/s. Sharp & Tannan Associates, Chartered Accountants remains unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer. Therefore, the Board is not required to give explanations or comments as required under Section 134(3)(f) of the Act.

The Auditors' Reports on the Financial Statements for the Financial Year ended March 31, 2026 forms part of this Annual Report.

INTERNAL AUDITORS AND THEIR REPORT

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 and based on the recommendation of Audit Committee of the Board of Directors of the Company, the Board of Directors at their meeting held on May 22, 2025, had appointed M/s. Kirtane & Pandit LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2025-26.

The Audit Committee reviews the audit findings as well as the adequacy and effectiveness of the internal control measures, risk management, governance systems and processes on a quarterly basis.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of the Audit Committee of the Board of Directors of the Company, the Board of Directors at their meeting held on May 22, 2025, had appointed M/s. NAM & Associates, Company Secretaries as the Secretarial Auditors of the Company for the FY 2025-26.

The secretarial audit report for FY 2025-26 as issued by Secretarial Auditors in the prescribed Form MR-3 forms part of this Board's report as **Annexure I**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the following:

Observation	Management Reply
The Company is in process of complying with the provisions w.r.t. payments to unpaid and unclaimed dividends to Investor Education Protection Fund (IEPF) as on March 31, 2026. However, as on date the Company has transferred the required amount to the Investor Education Protection Fund (IEPF).	As on the date of this report, the Company has complied and transferred the requisite amount to the Investor Education and Protection Fund (IEPF). For further details, please refer to the section titled *"Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)"* in this report.
The Board of Directors of the Company was duly constituted as required under the provisions of the Companies Act, 2013, except with respect to the composition of the Audit Committee as prescribed under Section 177(2) of the Companies Act, 2013, for the period from April 1, 2025 to August 13, 2025, during which Independent Directors were not in majority. The Audit Committee was reconstituted on August 13, 2025 in compliance with the requirements of the Companies Act, 2013	The Audit Committee was reconstituted on August 13, 2025, and the composition of the Audit Committee is now in compliance with the requirements of Section 177(2) of the Companies Act, 2013. For further details, please refer to the section titled *"Board of Directors and Key Managerial Personnel(s)"* in this report.

The Board of Directors assures that the necessary corrective actions have been taken and appropriate measures have been implemented to ensure continued compliance with the applicable provisions of the Companies Act, SEBI Regulations and other applicable laws.

COST AUDITORS AND THEIR REPORT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable in respect of the business activities carried out by the Company.

SUSTAINABILITY INITIATIVES

The Company embeds sustainability in its business strategy and lending philosophy. The Company is committed to financing responsible growth by integrating environmental, social and governance (ESG) considerations across its operations, credit decisions and customer engagement. Guided by its ESG Policy Framework, the Company strives to manage ESG risks, promote responsible business practices among its borrowers, and expand access to sustainable financing solutions that create long-term value for its customers, communities and the economy.

Accelerating the Clean Energy Transition

As part of its commitment to supporting India's renewable energy goals, the Company continues to expand access to sustainable financing solutions that enable the adoption of clean and energy-efficient technologies. During FY26, the Company financed approximately 35 MW of rooftop solar capacity, avoiding 117 tCO_2e of carbon emissions. This includes 1 MW across 18 Co-operative Housing Society (CHS) projects, helping MSMEs and residential communities reduce energy costs, improve operational efficiency, and lower their carbon footprint.

These efforts increased the Company's cumulative rooftop solar financing portfolio to approximately 131 MW of installed rooftop solar capacity since inception, reflecting the Company's continued contribution to clean energy adoption and the transition towards a low-carbon economy.

Financing Energy-Efficient Manufacturing

Through its Engineering Equipment Finance (EEF) and Capital Equipment Finance (CEF) business verticals, EFL enables MSMEs to modernize their manufacturing operations by financing advanced, energy-efficient machinery and equipment. During FY26, the Company Financed energy-efficient machines for 2,554 customers, with total disbursements of ₹ 1,026 Crores, supporting investments in modern manufacturing technologies across diverse industries. These investments help businesses replace outdated equipment with energy-efficient alternatives that improve productivity, optimize energy consumption, and reduce operating costs. By facilitating the adoption of efficient manufacturing technologies, the Company supports the transition towards a more resource-efficient manufacturing sector while contributing to lower greenhouse gas emissions and long-term industrial sustainability.

Enabling Inclusive Business Growth

Financial inclusion remains central to the Company's purpose of empowering entrepreneurs and strengthening India's MSME ecosystem. Through its Emerging Enterprise Loans (EEL) business vertical, EFL serves Micro, Small and Medium Enterprises (MSMEs), enabling access to formal finance for businesses that drive local economic development.

The EEL portfolio primarily caters to small manufacturing units, job work businesses, service providers, and traders, with a focus on enterprises engaged in value-added economic activities. Lending is extended to businesses that demonstrate strong operational potential and align with the Company's responsible lending philosophy.

To support the diverse financing needs of MSMEs, the Company provides secured loans backed by industrial, residential, and commercial properties. The financing enables businesses to invest in capacity expansion, machinery and equipment, working capital, and other growth-oriented requirements, helping them improve productivity and strengthen long-term resilience.

Leveraging its extensive branch network, the Company continues to expand the reach of MSME financing across underserved geographies, improving access to formal credit for entrepreneurs who have traditionally faced financing constraints. By supporting the growth of small enterprises, the Company contributes to employment generation, entrepreneurship, and inclusive economic development while creating sustainable value for customers, communities, and the broader economy.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided hereunder:

Conservation of Energy: The Company's operations are primarily in the financial services sector and, therefore, involve normal consumption of electricity. The Company continues to undertake various initiatives to conserve energy, improve resource efficiency and promote the use of clean energy.

The following measures were undertaken during the year:

- Usage of Solar power & LED lighting in place of conventional lighting systems to reduce electricity consumption;
- Minimal use of air conditioning, with reliance on natural airflow and other green building features to maintain a comfortable working environment;
- Building design that maximises natural daylight and quality views, thereby reducing dependence on artificial lighting;

- Adoption of sustainable infrastructure practices contributing to energy savings, clean energy offset and water conservation;
- Installation and use of a Solar PV rooftop plant to offset the Company's energy consumption to the extent feasible.

In addition, through its financing activities, the Company supports the adoption of renewable energy solutions and energy-efficient technologies by MSMEs and other customers, thereby contributing to energy conservation and sustainable development.

These initiatives have helped reduce energy consumption, optimise operating costs and strengthen the Company's contribution towards environmental sustainability.

Technology absorption:
Being a financial services company, the Company continues to invest in technology as a key enabler of operational excellence, scalability and enhanced customer experience. Technology is leveraged across business functions to automate processes, improve efficiency, strengthen data integrity and maintain robust information security standards. During the year, the Company continued its digital transformation initiatives through the implementation of an integrated technology platform comprising Loan Origination System (LOS), Customer Relationship Management (CRM), Business Rules Engine (BRE) and Collections modules. The platform is designed to streamline sales, underwriting, disbursement and collections through system-driven workflows and process automation.

The Company has also adopted technology-enabled credit assessment tools, including AI-enabled analytics, rule-based underwriting, bureau-based scorecards and data-driven risk assessment frameworks to strengthen underwriting quality, enhance decision-making and improve operational efficiency. These initiatives have contributed to faster loan processing, improved customer experience and stronger governance and compliance processes.

Foreign Exchange Earnings & Outgo:
During the year under review, the details of the foreign exchange Earnings & Outgo is as follows:

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	₹ 3,400.88 Lakhs

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has duly constituted a Corporate Social Responsibility (CSR) Committee, which defines the scope of CSR projects of the Company and oversees their implementation in accordance with the CSR Policy approved by the Board.

The Company's Corporate Social Responsibility initiatives are not merely a statutory obligation but also reflect its commitment to creating sustainable, inclusive and empowered communities. Guided by its organisational values and aligned with national development priorities and the United Nations Sustainable Development Goals (UNSDGs), the Company's CSR initiatives during FY26 focused on four key pillars: Environment & Sustainability, Healthcare, Education & Skill Development, and Livelihood Generation.

The Company's interventions were designed to create meaningful and long-term impact by addressing critical community needs and fostering sustainable development.

Environment & Sustainability
The Company continued its efforts towards environmental conservation and ecological restoration through strategic partnerships and community-driven initiatives.

In collaboration with The Grasslands Trust, the Company supported plantation activities and the development of grassland ecosystems, contributing to biodiversity conservation, soil enrichment and improved water retention. Through its ongoing environmental initiatives located at Gulunche village, around 70 km from Pune, the Company remained focused on promoting ecological balance and climate resilience in rural communities.

Healthcare

The Company's healthcare initiatives aimed at improving access to quality healthcare services for underserved communities while addressing critical health challenges.

The Company partnered with Swa Roopwardhinee to conduct primary health screenings covering haemoglobin and BMI assessments for approximately 15,000 students, enabling early identification of health concerns and promoting preventive healthcare. Additionally, through its association with the Sanvedana Foundation, the Company supported treatment and care for patients suffering from epilepsy, helping improve their quality of life and access to essential medical services.

The Company also continued its support towards community nutrition through the Mid-Day Meal Programme at ISKCON, contributing to the well-being of children from economically disadvantaged backgrounds.

Education & Skill Development

Education remains a key driver of social transformation and empowerment. During FY26, the Company supported several initiatives aimed at enhancing learning opportunities and strengthening educational outcomes.

Its partnership with Palakneeti Pariwar enabled the delivery of quality academic support and life-skills education for middle-school students, helping build confidence and promote holistic development among young learners. Through Mensa India Tribal, the Company supported programmes aimed at identifying and nurturing gifted students from underprivileged tribal communities, creating opportunities for academic excellence and talent development.

The Company also partnered with SVP Philanthropy to strengthen the social sector ecosystem by fostering a culture of philanthropy and building the capabilities of non-profit organisations. Support was extended to Swami Madhavnath Bodh Prasarak Mandal for various educational and community development initiatives.

Livelihood Generation & Inclusive Growth

Creating sustainable livelihood opportunities continued to be a key focus area of the Company's CSR strategy. Through its support to Shree Mahakal Education & Charitable Trust, the Company contributed towards the Skill Development Programme, an upskilling and employment generation initiative designed to enhance employability among rural youth. Given its positive impact and long-term potential, this initiative has now been converted into an ongoing project.

Community infrastructure development was also supported through the Company's contribution towards the Rotary Pune Pride Foundation Auditorium Project, creating shared spaces for community engagement and social development. These initiatives were further strengthened through employee engagement in volunteering activities, field visits and community outreach efforts, reinforcing the Company's culture of social responsibility and shared purpose.

As the Company reflects on FY26, it takes pride in its efforts to create meaningful environmental and social impact while supporting inclusive and sustainable development. Through responsible business practices, strategic partnerships and community engagement, the Company remains committed to building a better future for all stakeholders.

The Annual Report on CSR activities' in the prescribed format is annexed as **Annexure II.**

The policy has also been hosted on the website of the Company at https://www.electronicafinance.com/investor-relations/ under Policies section.

Further, in accordance with the rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2025-26.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 186(11) (a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantees given or securities provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantees have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note. 8 of notes forming part of the Financial Statements for the year ended March 31, 2026.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangement/transactions entered by the Company during FY 2025-26 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. The details of transaction entered into are also reviewed by the Audit Committee on a quarterly basis.

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are at arm's length basis and in the ordinary course of business.

A Statement containing the details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188(1) of the Act, in the prescribed Form No. AOC-2, forms part of this Board's report as **Annexure III.**

Further, details of Related Party Transactions as required to be disclosed by Ind AS- 24 on "Related Party Disclosures" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Note 40 to the Financial Statements.

COMPLIANCE MANAGEMENT

The Company has established a Board-approved Compliance Framework, led by an independent Chief Compliance Officer (CCO). A risk based compliance framework and a compliance management tool have been implemented. Automated alerts are sent to each department and compliance owners to ensure compliance within stipulated timelines.

CORPORATE GOVERNANCE REPORT

The Company has been practicing the principle of good Corporate Governance over the years. Corporate Governance is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business. Corporate Governance reflects core values around the principles and ideals based on independence, transparency, accountability, responsibility, compliance, ethics and trust. The report on corporate governance forms an integral part of this Board's report as **Annexure IV.**

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES

As on March 31, 2026, the Company does not have any subsidiaries, joint ventures, or associate companies within the meaning of section 2(87) and 2(6) of the Companies Act, 2013. However, Electronica Finance Limited is the subsidiary of Mugdha Investment and Finance Private Limited which is a Non-deposit taking Non –Banking Financial Company (NBFC).

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standard issued by The Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.

MEETINGS OF THE BOARD

Four (4) meetings of the Board were held during year ended March 31, 2026. Details of the meetings and attendance thereat forms part of the 'Corporate Governance Report'.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

A. COMPOSITION OF BOARD OF DIRECTORS

The Composition of Board of Directors of the Company ("Board") is in conformity with the Companies Act, 2013 and rules made thereunder, RBI Master Directions and Articles of Association of the Company.

As on March 31, 2026, the Board comprised of 9 (Nine) Directors, consisting of 4 (Four) Independent Directors including 3 (Three) Women Independent Directors, 4 (Four) Non-Executive Directors and 1 (One) Women Executive Director.

During the financial year and up to the date of this report, following changes took place in the composition of the Board of the Company:

a) Retirement of Mr. Mohan Tanksale from the office of Independent Director of the Company upon completion of his tenure on August 23, 2025.

b) Appointment of Mr. Uday Chitale as an Additional Director in the capacity of Independent Director on the Board of the Company with effect from August 13, 2025, and his subsequent regularisation as an Independent Director at the Annual General Meeting of the Company held on September 17, 2025.

c) Appointment of Mrs. Uma Mandavgane as an Additional Director in the capacity of Independent Director on the Board of the Company with effect from August 13, 2025, and her subsequent regularisation as an Independent Director at the Annual General Meeting of the Company held on September 17, 2025.

In pursuance to the "Fit and Proper" policy adopted by the Company as per the Reserve Bank of India's (RBI) Master Directions, the Company obtained the 'Fit and Proper declarations' from all the Directors for their respective appointment/re-appointment. The selection and appointment of Directors of the Company is done in accordance with the relevant provisions of the Companies Act, 2013 read with rules made thereunder and the master directions/ guidelines issued by the RBI.

Further, none of the Directors of the Company are disqualified as per the provisions of section 164(2) of the Act or debarred from holding office as director by virtue of any order of the SEBI or any other authority. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act.

The Composition of Board of the Company is also available on the Company's website and can be accessed at https://www.electronicafinance.com/investor-relations/

B. DIRECTORS LIABLE TO RETIRE BY ROTATION

Section 152 of the Act mandates that at least two– third of the total number of directors (excluding independent directors) shall be liable to retire by rotation and one-third of such directors shall retire from office at every Annual General Meeting. In this regard, Mr. Sujit Natekar, Non-Executive Director, being longest in the office, liable to retire by rotation, shall retire and being eligible, be recommended for re-appointment at the 36th Annual General Meeting.

The notice convening the 36th Annual General Meeting includes the proposal for re-appointment of aforesaid Director.

C. KEY MANAGERIAL PERSONNEL (KMP)

During the year under review and up to the date of this report, following changes took place in KMPs of the Company:

a) Re-appointment of Ms. Shilpa Pophale as Managing Director & CEO for a term of 5 years of the Company with effect from April 01, 2025.

b) Transition of Mr. Vallabh Ghate from the position of Company Secretary & Compliance Officer with effect from February 13, 2026 upon his elevation as Chief Compliance Officer of the Company.

c) Appointment of Ms. Shraddha Lukkad as Company Secretary & Compliance Officer of the Company with effect from February 14, 2026. As on March 31, 2026, the Company had the following KMPs:

Sr. No.	Name of KMP	Designation
1.	Ms. Shilpa Pophale	Managing Director & Chief Executive Officer
2.	Mr. Vipin Maheshwari	Chief Financial Officer
3.	Ms. Shraddha Lukkad	Company Secretary & Compliance Officer

There are no other changes in KMPs since the closure of the financial year till the date of this report.

POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure V** and is attached to this report.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors ("IDs") have submitted their disclosures to the Board that they fulfil all the requirements as stipulated under Section 149(7) of the Companies Act, 2013 read with rules made thereunder so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Further, in the opinion of the Board, the independent directors possess the highest standards of integrity, professionalism, and ethical conduct. They have been selected based on their diverse backgrounds, extensive experience, and specialised expertise in various fields relevant to the Company's operations.

PERFORMANCE EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance through structured questionnaire. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Nomination and Remuneration Committee has carried out evaluation of performance of every director, the Board as a whole and the committees of the Board of Directors at their meeting held on June 30, 2026.

Further, the Independent Directors met separately, without the attendance of Non-Independent Directors and the members of the management and inter alia reviewed the performance of Non-Independent Directors, Board as a whole; and performance of the Chairperson. They further assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, all the Committees and Individual Non-Independent Board Members.

There have been no material observations or suggestions, consequent to such evaluation and review.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company's Vigil Mechanism/Whistle Blower Policy ("Whistle Blower Policy") establishes a framework that enables employees and directors to report unethical conduct, suspected or actual fraud, and any violations of the Company's code of conduct or personnel policies.

This Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. In accordance with the provisions of Section 177(9) of the Companies Act, 2013, the Policy as approved by the Board is hosted on the website of the Company.

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and also provides direct access to the Chairman of the Audit Committee in exceptional circumstances.

During the financial year under review, the Company received one complaint through the designated Whistle Blower email ID which was duly placed before the Audit Committee for its consideration and was duly resolved.

PARTICULARS OF EMPLOYEES

Being an unlisted Company, the disclosure requirements as mentioned under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2026, are provided in a separate annexure forming part of this Report. In terms of the proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company.

RISK MANAGEMENT

Your company has a well-defined risk management framework in place and a robust organisational structure for managing and reporting on risks. Risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organisation. Risk Management at the Company includes risk identification, risk assessment, risk measurement, risk treatment, risk monitoring and review with its objective to create and protect value for the organisation and its stakeholders and to minimise negative impact on profitability and capital. The risk management framework is steered by the Board through the Risk Management Committee (RMC) for monitoring and reviewing the risk management plan and ensuring its effectiveness & Asset Liability Management Committee (ALCO) for enabling liquidity. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks.

Your Board reviews and defines the risk tolerance levels and risk appetite in guidance with the Risk Management Committee of the Company. The Risk management framework of the Company seeks to ensure a consistent, efficient and effective assessment and management of risks towards development of a sustainable business and creation of values for shareholders. It also minimises the adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company has also taken Directors and Officers (D&O) insurance policy to mitigate legal risks on directors and officers.

Further, the details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

FRAUD MONITORING & CONTROL

During the year under review, the Statutory Auditor of the Company has not reported any fresh instance of material fraud committed against the Company by its officers or employees, to the Audit Committee or Board, under Section 143 (12) of the Act.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the provisions of Sections 124(5) and 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was required to transfer unpaid/unclaimed dividend amounting to ₹ 63,438 (Rupees Sixty-Three Thousand Four Hundred Thirty Eight Only) pertaining to FY 2016-17 and ₹ 68,688 (Rupees Sixty Eight Thousand Six Hundred Eighty Eight Only) pertaining to FY 2017-18 to the Investor Education and Protection Fund (IEPF). The aforesaid amounts have been transferred to the IEPF as on the date of this Report.

The transfer was delayed due to technical glitches and challenges arising from the migration of IEPF-related forms from the MCA V2 portal to the MCA V3 portal. The Company encountered persistent technical issues that impeded the timely completion of the transfer process. In this regard, the Company had lodged multiple grievances/complaints with the Ministry of Corporate Affairs (MCA) and undertook continuous follow-up to resolve the issues.

Further, pursuant to Section 124(6) of the Companies Act, 2013 and the applicable IEPF Rules, the Company is required to transfer the shares corresponding to the unpaid/unclaimed dividends to the IEPF Authority. The details of such shares liable to be transferred to the IEPF Authority as on the date of this Report are provided below. The process for effecting the said transfer has already been initiated, and the Company remains committed to ensuring full compliance with all applicable statutory requirements:

Sr. No	Financial Year to which shares pertains	Number of shares to be transfer to IEPF authority
1	FY 2016-17	68,125
2	FY 2017-18	7,500

DEPOSITS

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-IA of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the period under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

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

Your Company is committed to providing and promoting a safe and healthy work environment for all its employees and Company has zero tolerance towards sexual harassment at the workplace. A 'Prevention of Sexual Harassment' (POSH) policy, which is in line with the statutory requirements along with a structured reporting and redressal mechanism is in place.

The Company is deeply committed to ensuring a safe and respectful work environment for all its employees and strives to maintain a work environment across all locations that fosters fairness, safety, and harmonious relations among employees, upholding the dignity of all employees regardless of gender or seniority.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act), the Company has adopted a comprehensive policy for the prevention of sexual harassment. An Internal Committee (IC) has been constituted to address and redress complaints related to sexual harassment.

The following is a summary of sexual harassment complaints received and disposed-off during the year 2025-26:

Sr. No.	Particulars	Number
1.	No. of Complaints of sexual harassment received in the year	1
2.	No. of Complaints disposed-off during the year	1
3.	No. of Complaints pending for more than ninety days	0

DISCLOSURE RELATED TO MATERNITY BENEFIT ACT, 1961

The Company has adhered to all applicable provisions of the Maternity Benefit Act, 1961, ensuring full compliance with statutory requirements.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return of the Company is hosted on the website of the Company at https://www.electronicafinance.com/investor-relations/

OTHER STATUTORY DISCLOSURES

a) No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

b) The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.

c) The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.

d) The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.

e) As on March 31, 2026, there is no amount remaining unclaimed in respect of non-convertible debentures.

f) Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement: -

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

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a Going Concern basis;

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

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

ACKNOWLEDGEMENT

The Board of Directors expresses its sincere appreciation and gratitude to the Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, rating agencies, stock exchanges, depositories, debenture trustees, registrars and transfer agents and other statutory authorities for their continued guidance, support, and cooperation.

The Board of Directors extend heartfelt thanks to the customers, investors, shareholders, debenture holders, bankers, advisors, legal counsel, vendors, auditors, financial institutions, and other stakeholders.

The Board of Directors would also like to acknowledge and celebrate the exceptional dedication and hard work demonstrated by our Management and employees throughout the year. Your remarkable contributions have been instrumental in achieving another outstanding year for the Company.

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

Shilpa Pophale	**Sujit Natekar**
Managing Director & CEO	**Director**
DIN: 00182457	**DIN: 00182517**

Date: August 13, 2026
Place: Pune

G-Grow

- Growth to highest-ever annual disbursement of ₹**3,027** Cr (↑ 12.5% YoY); Machine Finance hit ₹**2,517** Cr (↑ 27% YoY)

ANNEXURE I

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
ELECTRONICA FINANCE LIMITED
101/1, Erandawane 'Audumbar', Dr. Ketkar Road,
Pune, Maharashtra, India, 411004
We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. ELECTRONICA FINANCE LIMITED (CIN: U74110PN1990PLC057017) (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1st April 2025 to 31st March 2026, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws
specifically listed below.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of the following list of laws and regulations. The following are our observations on the same:

(i) **<u>The Companies Act, 2013 (the Act) and the Rules made there under:</u>**
The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except that the Company is in process of complying with the provisions w.r.t. payments to unpaid and unclaimed Dividends to Investor Education Protection Fund (IEPF) as on 31st March 2026. However, as on date the Company has transferred the required amount to the Investor Education Protection Fund (IEPF).

(ii) **<u>The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:</u>**
Not Applicable

(iii) **<u>The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:</u>**
The Company is a Debt listed company and 99.66% shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the applicable provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under in respect of Foreign Direct Investment and External Commercial Borrowing and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011: **(Not applicable for the period under review)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: During the year under review, the Company has satisfactorily complied with the provisions of 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 for the period under review)

(d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021: **(Not applicable for the period under review)**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021:**(Not applicable for the period under review)**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: The Company is a Debt listed public company and has satisfactorily complied with the provisions of The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable for the period under review)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:**(Not applicable for the period under review)**

(i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015: The Company has satisfactorily complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to the Company.

I further report that, as per the opinion of the officers of the Company and information provided by them there are following Directions, Circulars and Guidelines prescribed by the Reserve Bank of India of India, inter alia, specifically applicable to the Company:

a.The Reserve Bank of India Act, 1934;
b. RBI (NBFC – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and consolidated Master Directions issued by the Reserve Bank of India;
c. Fair Practice Code;
d. Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices;
e. Master Direction - Information Technology Framework for the NBFC Sector;
f. Other Circulars/ Directions/ Guidelines issued by RBI in relation to Non-Banking Financial Companies, from time to time and the Company has satisfactorily complied with the provisions of these regulations.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.
(ii) The Listing Agreement entered into by the Company with BSE Limited, in respect of Non-Convertible Debentures issued by the Company and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

During the period under review the Company has satisfactorily complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above. The audit of compliance of these Acts, Rules, Regulations, Guidelines, Standards, etc. was carried out on test check basis as per the ICSI Auditing Standards CSAS-1 to CSAS-4.

We further report that:

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws. The Board of Directors of the Company is duly constituted as required under the provisions of the Companies Act, 2013, **except for the composition of Audit Committee as per Section 177 (2), of Companies Act, 2013, for the period from 1st April,2025 to 13th August, 2025, wherein Independent Directors were not in majority. On 13th August, 2025, the Audit Committee was reconstituted and which is according to the requirements of the Companies Act, 2013.**

Adequate notice is given to all directors about 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 for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further during the Audit Period under review, the Company has appointed Mr. Uday Chitale (DIN:00043268) and Mrs. Uma Mandavgane (DIN:03156224) as Additional Directors (Independent Directors) at the Board meeting held on 13th August, 2025 and has taken shareholders approval for their appointment as an Independent Directors at the Annual General Meeting held on 17th September, 2025.

During the year, Mr. Mohan Tanksale, Independent Director of the Company has completed his tenure on 23rd August, 2025.

During the year the following changes took place in respect of Key Managerial Personnel:

Sr. No.	Details of Appointment /Cessation	Date
1.	Transition of Mr. Vallabh Ghate from the position of Company Secretary & Compliance Officer upon his elevation as Chief Compliance Officer of the Company.	13.02.2026
2.	Appointment of Ms. Shraddha Gokul Lukkad as Company Secretary & Compliance Officer of the Company.	14.02.2026

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the followings:

1. The Company has passed following resolution for issue of Securities:

Sr. No	Date of Board / Committee Meeting	Date of General Meeting	Particulars	Number of Securities
1.	21.07.2025 (Securities Operations Committee)	Not Applicable as the amount is within the approved limits of Section 180 (1) (C) of the Act.	Issuance of Non-Convertible Debentures having aggregate nominal value of ₹ 77.40 Crores on private placement basis.	7,740
2.	13.08.2025	Not Applicable	Issue and offer of Equity Shares on Right Issue basis to the existing Shareholders of the Company.	4,12,562
3.	13.08.2025	17.09.2025	Issue & offer of series B2 Compulsorily Convertible Cumulative Preference Shares through private placement Basis.	5,90,292
4.	02.01.2026 (Securities Operations Committee)	Resolution for issue of NCDs up to 1000 crores was passed on September 17, 2025	Issuance of Non-Convertible Debentures having aggregate nominal value of ₹ 100 Crores on private placement basis.	10,000

2. The Company has made following allotments during the period:

Sr. No	Date	Particulars	Number of Securities
1.	07.08.2025	Allotment of Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures Denominated in Indian Rupees, Having A Face Value of ₹ 1,00,000 On Private Placement Basis.	7,740
2.	26.09.2025	Allotment of Equity Shares under Rights Issue.	3,81,498
3.	14.10.2025	Allotment of compulsory convertible cumulative preference shares of face value ₹ 20 each on private placement basis to existing shareholders.	5,90,292
4.	16.01.2026	Allotment of Rated, Listed, Unsecured, Taxable, subordinated (Tier II), Transferable, Redeemable, Non-Convertible Debentures Denominated in Indian Rupees, Having A Face Value of ₹ 1,00,000 (Indian Rupees One Lakh) Each and An Aggregate Nominal Value Of ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) on a private placement basis.	10,000

3. At the Annual General Meeting held on September 17, 2025, the Company has obtained the approval of shareholders through a Special Resolution for amendments in ‘Electronica Finance Limited- Employee Stock Option Plan 2017 (ESOP 2017/Plan)’.
4. At the Annual General Meeting held on September 17, 2025, the Company has re-appointed Ms. Shilpa Pophale as Managing Director & CEO of the Company.
5. At the Annual General Meeting held on September 17, 2025, the Company declared Dividend of 0.001% on Compulsorily Convertible Preference Shares of the Company.
6. The Company has availed External Commercial borrowings and has complied with FEMA Act in respect of LRN and ECB.

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

NAM & ASSOCIATES
COMPANY SECRETARIES

Neha Marathe
FCS No. 11767
CP No. 17539
PR No. 3586/2023
UDIN: F011767H001028706

Place: Pune
Date: 05.08.2026

ANNEXURE A

To,
The Members
ELECTRONICA FINANCE LIMITED
101/1, Erandawane 'Audumbar', Dr. Ketkar Road,
Pune, Maharashtra, India, 411004

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR NAM & ASSOCIATES
COMPANY SECRETARIES

Neha Marathe
FCS No. 11767
CP No. 17539
PR No. 3586/2023

Place: Pune
Date: 05.08.2026

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ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR FY 2025-2026

1. A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The CSR Policy of the Company shall be read in alignment with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and other relevant rules, regulations, circulars and notifications (collectively referred to as Regulations), as applicable and amended from time to time. It provides a framework for undertaking CSR initiatives and ensuring compliance with the applicable statutory requirements.

It will, inter-alia, provide for the following:

- Establishing guidelines for compliance with the provisions of Regulations to dedicate a percentage of the Company's profits to social projects.
- Ensuring the implementation of CSR initiatives in both letter and spirit through appropriate procedures and reporting.

For years, the Company has been fostering positive change within marginalised communities. Its CSR Policy is driven by a vision to create a positive impact on society and transform lives, going beyond mere financial contributions.

Guided by its organisational values, national development priorities and the United Nations Sustainable Development Goals (UNSDGs), the Company focuses its CSR efforts on key areas including Environment & Sustainability, Healthcare, Education & Skill Development, and Livelihood Generation. These initiatives are aimed at addressing critical community needs and creating meaningful and long-term social and environmental impact.

The Company's CSR initiatives encompass environmental conservation, preventive healthcare, nutrition support, quality education, life-skills development, vocational training, employment generation and community development. Through partnerships with credible non-profit organisations and implementation agencies, the Company strives to enhance the quality of life of beneficiaries and promote sustainable development.

The Company undertakes CSR activities approved by the CSR Committee, either directly through its CSR team or through eligible implementing agencies in accordance with the provisions of the Companies Act, 2013 and the CSR Policy of the Company.

2. COMPOSITION OF CSR COMMITTEE, CSR POLICY, CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its meetings held during FY 2025-26 is given below:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mrs. Smita Sandhane	Independent Director	1	1
Ms. Shilpa Pophale	Managing Director & CEO	1	1
Mr. Sujit Natekar	Non-Executive Director	1	1
Mr. Stewart Langdon	Non-Executive Director	1	0

3. PROVIDE THE WEBLINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY, CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Web Link for Composition of CSR committee: https://www.electronicafinance.com/investor-relations/
Web Link for CSR Policy: https://www.electronicafinance.com/wp-content/uploads/2024/01/CSR-Policy.pdf
Web Link for CSR Projects: https://www.electronicafinance.com/CSR/

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT):

Since the Company did not have an average CSR obligation of INR 10 crore or more, as specified under Section 135(5) of the Companies Act, 2013, during the three immediately preceding financial years, the provisions relating to impact assessment are not applicable to the Company for the year under review.

5.

(A)	**Average Net Profit of the Company as per Section 135(5)**	₹ 6,445.94 Lakhs
(B)	**Two Percent of Average Net Profit of the Company as per Section 135(5)**	₹ 128.92 Lakhs
(C)	**Surplus Arising out of the CSR Projects or Programmes or Activities of the Previous Financial Years**	Nil
(D)	**Amount required to be Set Off for the Financial Year, if any**	Nil
(E)	**Total CSR Obligation for the Financial Year [B + C – D]**	₹ 128.92 Lakhs

6.

(A)	**Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**	₹ 128.92 Lakhs
(B)	**Amount spent in Administrative Overheads**	Nil
(C)	**Amount spent on Impact Assessment, if applicable**	Nil
(D)	**Total amount spent for the Financial Year [A + B + C]**	₹ 128.92 Lakhs

(E) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹)	**Amount Unspent (in ₹)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		**Total Amount transferred to Unspent CSR Account as per section 135(6)**		
	Amount	Date of transfer	NA	NA	NA
₹ 81.23 Lakhs	₹ 47.63 Lakhs	29-Apr-2026			
	₹ 00.06 Lakhs	30-Apr-2026			

(F) **Excess amount for set-off, if any**

Sr. No.	**Particular**	**Amount (in ₹)**
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 128.92 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 128.92 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6		7	8
Sr. No.	**Preceding Financial Year(s)**	**Amount Transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)**	**Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)**	**Amount Spent in the Finan-cial Year (in ₹)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in ₹)**	**Deficiency, if any**
					Amount (In ₹)	**Amount (In ₹)**		
1.	Nil	-	-	-	-		-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

No

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
NA							

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135:

Not Applicable

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

Shilpa Pophale	**Smita Sandhane**
Managing Director & CEO	**Chairperson - CSR Committee**
DIN: 00182457	**DIN: 07637529**

Date: August 13, 2026
Place: Pune

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ANNEXURE III

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

1. Details of Contracts or arrangements or transactions not at arm's length basis - None
2. Details of material contracts or arrangement or transaction at arm's length basis:

Name of the related party & nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the Contract/ arrangement / transaction	Amount (₹ in Lakhs)	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Harsh Natekar (Relative of Director)	Remuneration	-	5.70	-	November 12,2025	-
Sujit Sharad Natekar (HUF)	Rent for guest house	1 Year	4.83	-	NA	-
Electronica Hitech Engineering Private Limited (Relative of Director of EFL is Director in the said Company)	Interest charged on Business Loan	1 Year	2.58	-	NA	-
Electronica Hi Tech Machine Tools Private Limited (Director of EFL is Director in the said Company)	Reimbursement of Business Promotion Expenses	-	1.14	-	NA	-
Mugdha Investment Finance Private Limited Holding Company)	Resource Support Income	-	1.20	-	NA	-

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

Shilpa Pophale
Managing Director & CEO
DIN: 00182457

Sujit Natekar
Non-Executive Director
DIN: 00182517

Date: August 13, 2026
Place: Pune

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ANNEXURE IV

CORPORATE GOVERNANCE REPORT

1. **Corporate Governance Philosophy:**

Electronica Finance Limited (hereinafter referred to as EFL) recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in all its transactions and dealings with customers, employees, investors, lenders, regulators, vendors and other stakeholders. Your Company is committed to good corporate governance and all its activities are carried out in accordance with good corporate practices. EFL has demonstrated highest levels of corporate governance for the past 35 years of its existence.

EFL fundamentally believes that good Corporate Governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/ regulatory requirements. The philosophy of the Company is to maintain a high level of ethics in all its dealings in order to achieve its goal of building the trust of investors in the Company.

The Board of Directors is kept well-informed about all the activities of the company and all significant material information are placed before the Board of Directors. The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. The objective of good corporate governance is to ensure the Board's commitment towards transparent management to maximize long term value for the Company's shareholders and all other participants involved in a process, which is economic and at the same time social.

This report provides an overview of the various corporate governance disclosures required under applicable regulations.

2. **Board of Directors:**

The Board of Directors ('Board") and its Committees play a significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board.

Composition

The composition of the Board is in conformity with the Companies Act, 2013 ("Act") and rules made thereunder, RBI Master directions and the Articles of Association of the Company. Your Company has a balanced Board, having optimum combination of Executive and Non-Executive Directors including Women Director in compliance with the requirements of the Act.

As on March 31, 2026, the Board comprised of 9 (Nine) Directors, consisting of 4 (Four) Independent Directors including 3 (Three) Women Independent Directors, 4 (Four) Non-Executive Directors and 1 (One) Women Executive Director.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013. The Independent Directors have also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with RBI Scale Based Regulations.

Meetings of Board of Directors

During the Financial Year 2025-26, the Board of EFL met 4 times, viz. May 22, 2025, August 13, 2025, November 12, 2025 and February 13, 2026. The maximum time gap between any two consecutive meetings was as per applicable regulations.

The Company in consultation with the Directors of the Company prepares a tentative calendar for the upcoming meetings of the Board/ Committees to ensure the presence of majority of Directors in the meetings. Agenda papers containing all the necessary information are sent well in advance to all the Directors of the Company so as to enable the Directors to become aware of all the facts on timely basis.

The draft minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the meeting. Comments, if any, received from the Directors are incorporated in the minutes. The minutes are confirmed and approved by the members of the Board / Committee(s).

Separate meeting of independent directors

During the year under review, in line with the requirement under section 149(8) and Schedule IV of the Act, the Independent Directors had a separate meeting on March 31, 2026, without the presence of the non-independent directors and management team.

The Independent Directors of the Company provide an annual certificate of independence in accordance with section 149(7) of the Act, to the company which is taken on record by the Board.

The composition and category of Directors as on March 31, 2026, is as follows:

Sr. No	Name of the Director	Date of Appointment	Designation	DIN	Number of Board Meetings		No. of other Direc-tor-ships	Remuneration			No. of shares and Convertible Instruments held in NBFC
					Entitled to attend	Attend-ed		Salary and other compen-sation (In ₹ Lakhs)	Sitting fees (In ₹ Lakhs)	Com-mission (In ₹ Lakhs)	
1.	Ms. Shilpa Pophale	01/06/2006	Managing Director & CEO	00182457	4	4	3	230.88	-	-	7,88,000
2.	Mr. Sujit Natekar	20/11/2022	Non-Executive Director	00182517	4	4	4	-	-	-	38,833
3.	Mr. Ameya Bijoor	11/11/2020	Non-Executive Director (Nominee Director on behalf of ESF Holdings)	08905242	4	4	1	-	-	-	Nil
4.	Mr. Mohan Tanksale*	24/08/2020	Independent Director	02971181	2	2	14	-	1.75	-	Nil
5.	Ms. Smita Sandhane	28/04/2022	Independent Director	07637529	4	4	-	-	4.75	1.25	Nil
6.	Ms. Sandhya Vasudevan	06/12/2022	Independent Director	00372405	4	4	6	-	4.50	4.00	Nil
7.	Mr. Stewart Langdon	04/06/2024	Non-Executive Director (Nominee Director on behalf of Wanaka Inclusion Ltd)	05116100	4	3	1	-	-	-	Nil
8.	Mr. Anurag Agrawal	04/06/2024	Non-Executive Director (Nominee Director on behalf of Aavishkaar India Fund VI)	02385780	4	3	7	-	-	-	Nil
9.	Mr. Uday Chitale	13/08/2025	Independent Director	00043268	2	2	2	-	1.50	4.50	Nil
10.	Mrs. Uma Mandavgane	13/08/2025	Independent Director	03156224	2	2	5	-	1.75	2.50	Nil

*Mr. Mohan Tanksale completed his tenure as an Independent Director on August 23, 2025 and was therefore entitled to attend 2 (Two) Board meetings held during the year.

Details of change in composition of the Board during the financial year 2024-25 and 2025-2026:

Sr. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Stewart Langdon	Non-Executive Director	Appointment	04/06/2024
			Regularisation	01/07/2024
2.	Mr. Anurag Agrawal	Non-Executive Director	Appointment	04/06/2024
			Regularisation	01/07/2024
3.	Mr. Uday Chitale	Independent Director	Appointment	13/08/2025
			Regularisation	17/09/2025
4.	Mrs. Uma Mandavgane	Independent Director	Appointment	13/08/2025
			Regularisation	17/09/2025
5.	Mr. Mohan Tanksale	Independent Director	Completion of tenure	23/08/2025

Directors with Materially Significant Pecuniary Relationship or Business Transaction with the Company:
The Executive Director receives salaries, allowances, perquisites and/ or commission, while all Non-Executive Independent Directors are paid sitting fees for attending the Board meetings as well as Committee meetings as well as commission as approved by the Board of Directors of the Company. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

Details of any relationship amongst the Directors inter-se –

Sr. No.	Name of the Director	Relationship
1.	Ms. Shilpa Pophale	Wife of Mr. Sujit Natekar
2.	Mr. Sujit Natekar	Husband of Ms. Shilpa Pophale

3. Committees of the Board:
The Board has constituted Committees with specific terms of reference to focus effectively on issues and ensure timely review and approvals for various matters and as required under the applicable regulations.

The Board has established the following statutory and non-statutory committees in line with the Companies Act, 2013 and rules made thereunder, Master Directions of Reserve Bank of India and other regulatory requirements as applicable:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders’ Relationship Committee
- Asset Liability Management Committee
- Risk Management Committee
- IT Strategy Committee
- Finance Committee
- Securities Operations Committee
- IT Steering Committee
- Information Security Committee
- Special Committee of executives for monitoring & follow-up of cases of frauds

Further, the Committees constituted by the Board of the Company are guided by its charter, which defines the scope, roles and responsibilities, powers and composition of the Committee.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013 and Corporate Governance Master Directions issued by the Reserve Bank of India.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board at its next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions and noting.

ANNEXURE IV

A. Audit Committee

The Board has constituted an Audit Committee with terms of reference as defined under the applicable regulations. Majority of the members are non-executive directors, are financially literate and have accounting and related financial management expertise. The independent directors have an experience of heading large PSU banks, co-operative banks, foreign banks in their previous roles.

During the year under review, the Audit Committee met 4 (Four) times viz. May 22, 2025, August 13, 2025, November 12, 2025 and February 13, 2026. All the meetings were conducted with the requisite quorum.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Statutory Auditor and senior executives of the Company for providing inputs to the Committee. The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Mr. Mohan Tanksale*	24/08/2020	Independent Director as Chairperson	2	2	Nil
Mr. Ameya Bijoor	11/11/2020	Non-Executive Director as Member	4	4	Nil
Mrs. Smita Sandhane	28/04/2022	Independent Director as Member	4	4	Nil
Ms. Sandhya Vasudevan	07/03/2023	Independent Director as Member	4	4	Nil
Mr. Sujit Natekar	09/07/2024	Non-Executive Director as Member	4	4	38,833
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	4	3	Nil
Mr. Uday Chitale**	11/10/2025	Independent Director as Chairperson	2	2	Nil
Mrs. Uma Mandavgane**	11/10/2025	Independent Director as Member	2	2	Nil

*Mr. Mohan Tanksale completed his tenure as an Independent Director and accordingly, ceased to be a member of the Committee with effect from August 23, 2025.

**Mr. Uday Chitale was appointed as Chairperson of the Committee and Mrs. Uma Mandavgane was appointed as member of the Committee with effect from October 11, 2025.

There were no other changes in the constitution of the Committee during the financial year ended March 31, 2026.

The Company Secretary acts as the Secretary of the Committee.

During the year under review, the Committee met and discussed on various matters including financials, internal audit reports and statutory audit report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The terms of reference of Audit Committee inter-alia includes the following: -

- Recommend appointment and removal of the Auditors and their remuneration, nature and scope of audit.
- Ensure adequacy of internal controls and compliances and recommend remedial measures - Review adequacy of the Internal Audit function.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.

- Oversee financial reporting process and disclosure of financial information.
- Examine the financial statements and the auditors' report thereon.
- Evaluate internal financial controls and the risk management systems.
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors.
- Review accounting policies.
- Approve any transactions of the Company with related parties or any subsequent modifications thereof.
- Scrutinize inter-corporate loans and investments.
- Evaluate the valuation of undertakings or assets of the Company, if necessary.
- Monitoring the end use of funds raised through public offers and related matters - Review findings of internal Investigations / frauds irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

B. Nomination & Remuneration Committee

The Board has constituted a Nomination & Remuneration Committee which is in compliance with the provisions of Section 178 of the Act and applicable Master Directions issued by Reserve Bank of India.

During the year under review, the Nomination and Remuneration Committee met twice on August 12, 2025 and September 8, 2025. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Mrs. Smita Sandhane	28/04/2022	Independent Director as Chairperson	2	2	Nil
Mr. Mohan Tanksale*	24/08/2020	Independent Director as Member	1	1	Nil
Mr. Ameya Bijoor	11/11/2020	Non-Executive Director as Member	2	2	Nil
Ms. Shilpa Pophale	09/07/2024	Managing Director & CEO as Member	2	2	7,88,000
Ms. Sandhya Vasudevan	09/07/2024	Independent Director as Member	2	2	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	2	1	Nil
Mr. Uday Chitale**	11/10/2025	Independent Director as Member	-	-	Nil

*Mr. Mohan Tanksale completed his tenure as an Independent Director and accordingly, ceased to be a member of the Committee with effect from August 23, 2025.

**Mr. Uday Chitale was appointed as member of the Committee with effect from October 11, 2025.

There were no other changes in the constitution of the Committee during the financial year ended March 31, 2026. The Company Secretary acts as the Secretary of the Committee.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Nomination & Remuneration Committee inter-alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of director's performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors, KMP and other employees.
- Carry out such other functions as are required or appropriate in discharging their duties.

C. Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee ("CSR Committee") in line with the provisions of Section 135 of the Act which has substantial roles and responsibilities in respect of projects to be recommended to the Board and for the monitoring of the CSR projects and reporting.

During the year under review, the Corporate Social Responsibility Committee met once on August 12, 2025. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Mrs. Smita Sandhane	28/04/2022	Independent Director as Chairperson	1	1	Nil
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Member	1	1	7,88,000
Mr. Sujit Natekar	26/06/2023	Non-Executive Director as Member	1	1	38,833
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	1	0	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Corporate Social Responsibility Committee inter-alia includes the following:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Company.
- Monitor the Corporate Social Responsibility policy from time to time.
- Carry out such other functions as are required or appropriate in discharging their duties.

D. Stakeholders Relationship Committee

The Board of Directors have constituted the Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders and stakeholders (except customers) of the Company.

During the financial year 2025-26, no meeting of the Stakeholders Relationship Committee was held.

The particulars of Members of the Committee are as follows:

Name of the Member	Member of Committee Since	Capacity	No. of Shares held in the Company
Mr. Sujit Natekar	13/02/2024	Non-Executive Director as Chairperson	38,833
Ms. Shilpa Pophale	13/02/2024	Managing Director & CEO as a Member	7,88,000
Mrs. Smita Sandhane	13/02/2024	Independent Director as a Member	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as a Member	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

The terms of reference of Stakeholder Relationship Committee inter-alia includes the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmis sion of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, non-receipt of notices of general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/ statutory notices by the shareholders of the Company; and
- To carry out any other function as is mandated by the Board from time to time.

E. Asset Liability Management Committee

The Company has constituted an Asset Liability Management Committee ("ALCO") in line with provisions of RBI (NBFC - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and applicable consolidated Master Directions issued by the Reserve Bank of India read with other circulars and guidelines issued by Reserve Bank of India. The ALCO reviews the assets and liabilities position of the Company and gives directions to the finance/ treasury team in managing the same. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

During the period under review, Asset Liability Management Committee met 4 (Four) times viz. May 20, 2025, August 12, 2025, November 10, 2025 and February 11, 2026. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows :

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Chairperson	4	4	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive Director as Member	4	4	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	4	2	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as Member	4	3	Nil
Chief Financial Officer	26/06/2023	Chief Financial Officer as Member	4	4	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Asset Liability Management Committee inter-alia includes the following:

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- The strategic management of interest rate and liquidity risks.

F. Risk Management Committee

The Company has constituted Risk Management Committee ("RMC") in line with the provisions of RBI (NBFC-Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and applicable consolidated Master Directions issued by the Reserve Bank of India read with other circulars and guidelines issued by Reserve Bank of India from time to time.

The Committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company.

During the period under review, the Risk Management Committee met once on November 10, 2025. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Mrs. Uma Man-davgane*	11/10/2025	Independent Director as Chairperson	1	1	Nil
Mrs. Smita Sandhane*	28/04/2022	Independent Director as Member	1	1	Nil
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Member	1	1	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive Director as Member	1	1	Nil
Mr. Mohan Tank-sale**	11/11/2020	Independent Director as Member	-	-	Nil
Ms. Sandhya Vasudevan	26/06/2023	Independent Director as Member	1	1	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	1	1	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as Member	1	0	Nil
Chief Financial Officer	26/06/2023	Member	1	1	Nil

*Mrs. Uma Mandavgane was appointed as the Chairperson of the Committee with effect from October 11, 2025. Consequently, Mrs. Smita Sandhane stepped down as Chairperson of the Committee and continued as a Member of the Committee.

**Mr. Mohan Tanksale completed his tenure as an Independent Director and accordingly, ceased to be a member of the Committee with effect from August 23, 2025.

There were no other changes in the constitution of the Committee during the financial year ended March 31, 2026.

The Company Secretary acts as the Secretary of the Committee.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Risk Management Committee inter-alia includes the following:

- Managing the various risks such as market risk, interest rate risk, credit risk, operational risk, etc.
- Such other functions as the Board may delegate from time to time.

G. IT Strategy Committee

The Board has constituted the IT Strategy Committee in compliance with the provisions of the applicable Master Direction issued by the Reserve Bank of India.

The terms of reference of the IT Strategy Committee are guided by the prescriptions of the above Master Directions which inter-alia includes strategic alignment, risk management, resource management, performance management and Business Continuity/ Disaster Recovery Management and monitor information technology ("IT") strategy and policy documents, monitor processes and practices to ensure IT delivers value to business, ensure that IT investments represent a balance of risks and benefits, determine the IT resources required to achieve strategic goals, providing high-level direction for sourcing and use of IT resources and managing IT related risks.

During the period under review, 4 (Four) IT Strategy Committee meetings were held on May 20, 2025, August 11, 2025, November 10, 2025 and February 11, 2026. All the meetings were conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Ms. Sandhya Vasudevan	26/06/2023	Independent Director as Chairperson	4	4	Nil
Ms. Shilpa Pophale	05/02/2019	Managing Director & CEO as a Member	4	4	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive Director as a Member	4	4	Nil
Mrs. Smita Sandhane	28/04/2022	Independent Director as a Member	4	4	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of IT Strategy Committee inter-alia includes the following: -

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Evaluation of risks related to cyber security/information security and review of Business Continuity Plan (BCP)/ Disaster Recovery (DR) Plan.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.

H. Finance Committee

In accordance with the Section 179(3) of the Companies Act, 2013, the Board has constituted the Finance Committee (earlier known as Bank Borrowings Committee) for approving the borrowing program of the Company including specific borrowings and other banking operations in the normal course of business operations.

During the year under review, the Finance Committee met 27 (Twenty Seven) times viz.April 24, 2025, April 29, 2025, May 27, 2025, June 13, 2025, June 26, 2025, June 28, 2025, July 07, 2025, July 22, 2025, August 08, 2025, August 14, 2025, August 21, 2025, August 28, 2025, September 23, 2025, September 27, 2025, September 29, 2025, September 30, 2025, November 01, 2025, November 22, 2025, December 12, 2025, December 16, 2025, December 29, 2025, December 31,2025, February 19, 2026, March 12, 2026, March 25, 2026, March 29, 2026 and March 30, 2026.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

<table>
<tr><th rowspan="2">Name of the Member</th><th rowspan="2">Member of Committee Since</th><th rowspan="2">Capacity</th><th colspan="2">Number of meetings of the Committee</th><th rowspan="2">No. of Shares held in the Company</th></tr>
<tr><th>Entitled to attend</th><th>Attended</th></tr>
<tr><td>Ms. Shilpa Pophale</td><td>Since Inception</td><td>Managing Director & CEO as Chairperson</td><td>27</td><td>27</td><td>7,88,000</td></tr>
<tr><td>Mrs. Smita Sandhane</td><td>28/04/2022</td><td>Independent Director as Member</td><td>27</td><td>27</td><td>Nil</td></tr>
<tr><td>Mr. Sujit Natekar</td><td>26/06/2023</td><td>Non-Executive Director as Member</td><td>27</td><td>27</td><td>38,833</td></tr>
</table>

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.
All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

The terms of reference of Finance Committee inter-alia includes the following:

- To borrow moneys for the purpose of the Company's business from Banks/financial institutions/other lenders through various instruments/ products as may be decided by the Committee not exceeding the overall limit approved by the Board of Directors and Shareholders of the Company from time to time;
- To issue, offer and allot Commercial Papers,
- To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company, for the time being or in such other manner as may be deemed fit;
- To enter into all negotiations, issue necessary power of attorney(s), sign necessary documents and contracts, rescind and vary all such documents and contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as may be considered expedient for the purpose of the business of the Company;
- To make, sign, draw, accept, endorse and negotiate cheques, bills of exchange, drafts, promissory notes and other mercantile documents or negotiable instruments, securities, Government promissory notes;
- To all such activities, deeds, transactions, intimations required to open, close and operate existing and new current accounts, overdraft, cash credit, fixed deposit or otherwise of the Company with any Bank including but not limited to following:
  i) avail the financial, monetary and any other products and services offered by the Bank through its Website/ Internet Banking and/ or the Corporate Customer Care Services (phone banking channels and E mail)
  ii) avail Commercial Card /Credit Card facility issued by various Banks, including operation and enhancement of limits on existing Credit Cards issued by any Bank
  iii) avail various services Corporate Internet Banking (CIB) and Cash Management Services (CMS) by appointment of Authorized signatory(ies) and delegating Maker/Viewer access rights to other personnel of the Company,
  iv) delegate the rights (including viewing rights) for the bank accounts through various modes including Phone Banking, Internet Banking, Email to such personnel as it may deem appropriate
  v) appointment/ deletion of Authorised Signatory(ies) in the Bank accounts including changes in the mode of operation and altering the transaction limits,
  vi) furnish, sign, execute and deliver such applications, documents, indemnities and/or declarations and/or affidavits on behalf of the Company in favour of the Bank as may be required by the Bank in any matter related hereto and generally to do all such acts and deeds as may be necessary.
- To enter in Direct Assignment and Securitization transactions involving sale of loan receivables of the Company in the ordinary course of Business as part of fund raising strategy (as permitted under RBI regulations);
- To enter in Co- lending arrangement transactions involving partnership with any other Bank/NBFC for lending to various categories of borrowers (as permitted under RBI regulations);
- To execute from time to time counter guarantees in favour of the Company's bankers as security for the

guarantees issued by banks on behalf of the Company in connection with the Company's business;

- To invest the idle funds of the company in mutual funds, liquid instruments etc.;
- To grant loans or give guarantee or provide security in respect of loans,
- Any other matters incidental and ancillary to the above stated matters;
- Any other matters relating to Fund raising by Equity or Debt,
- To delegate any of the powers stated above to any official(s) as may be deemed appropriate.

I. Securities Operations Committee

The Board has constituted Securities Operations Committee to facilitate approvals for borrowings from debt securities market and related aspects.

During the year under review, there were 6 (Six) meetings of the Securities Operations Committee held on July 21, 2025, August 07, 2025, September 26, 2025, October 14, 2025, January 02, 2026 and January 16, 2026.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Chairperson	6	6	7,88,000
Mr. Sujit Na-tekar	26/06/2023	Non-Executive Director as Member	6	6	38,833
Mrs. Smita Sandhane	09/07/2024	Independent Director as a Member	6	6	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

The terms of reference of the Securities Operations Committee inter alia include the following:

- To borrow monies by way of availing financial facilities / issuance of debentures from / to bank(s), institution(s), mutual fund(s), body(ies) corporate, funds, foreign funds, alternative investment funds or any other sources;
- To finalise the terms and conditions in respect of the borrowings/issuance of securities / debentures by the Company and approve the borrowings/issuance of securities / debentures by the Company;
- Allot the securities / debentures of the Company as per applicable laws;
- To decide on the nature of security / encumbrance in respect of such borrowings including creating charge by way of hypothecation over the book debts / receivables of the Company at such terms and conditions as may be deemed fit from time to time;
- To appoint security trustee(s) / debenture trustee(s) and/or create charge/mortgage/ encumbrance in favour of security trustee(s) / deben ture trustee(s)/lender(s)/ debenture holders;
- To authorize officials of the Company for execution of any agreement, deeds and documents on behalf of the Company, including any loan /debenture / debt related documents;
- To appoint/authorize Company officials for execution of documents, agreements, deeds and papers as may be required from time to time in relation to the borrowing operations of the Company;
- To delegate authorities from time to time to the executives/authorized representatives to implement the decisions of the Securities Operations Committee from time to time.

J. IT Steering Committee

The Board constituted the IT Steering Committee in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023, issued by the Reserve Bank of India.

During the year under review, 4 (Four) IT Steering Committee meeting was held on April 17, 2025, July 9, 2025, October 30, 2025 and January 19, 2026. The meeting was conducted with requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Designation of the Member	Member of Committee Since	Capacity	Number of meetings of the Committee		No. of Shares held in the Company
			Entitled to attend	Attended	
Head (IT)	13/11/2024	Chairperson	1	1	Nil
Chief Financial Officer	13/11/2024	Member	4	4	Nil
Chief Business Officer	13/11/2024	Member	1	1	Nil
Chief of Staff	13/11/2024	Member	2	2	Nil
Senior Vice President IT & Systems*	13/11/2024	Member	3	3	Nil
Credit Head (Core)	13/11/2024	Member	4	4	Nil
Credit Head (Retail)	09/07/2024	Member	4	4	Nil

*Senior Vice President - IT & Systems, Mr. Piyush Kadu was designated as Head IT by the Board of Directors at it's meeting held on November 12, 2025.

The Company Secretary acts as the Secretary of the Committee.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

During the financial year under review, the Board of Directors, at its meeting held on February 13, 2026, approved the reconstitution of the Committee. The revised composition of the Committee is set out below:

Designation of the Member	Member of Committee Since	Capacity	No. of Shares held in the Company
Head (IT)	13/11/2024	Chairperson	Nil
Chief Financial Officer	13/11/2024	Member	Nil
Chief Operating Officer	13/02/2026	Member	Nil
Chief Compliance Officer	13/02/2026	Member	Nil

The terms of reference of IT Steering Committee inter-alia includes the following: -

- Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Oversee the processes put in place for business continuity and disaster recovery;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update ITSC and CEO periodically on the activities of IT Steering Committee.

K. Information Security Committee

The Board constituted the Information Security Committee (ISC) in compliance with the provisions of the Applicable Master Direction issued by the Reserve Bank of India.

During the financial year 2025-26, no meeting of the Information Security Committee was held.
The particulars of Members of the Committee are as follows:

Designation of the Member	Member of Committee Since	Capacity	No. of Shares held in the Company
Chief Information Security Officer	13/02/2025	Chairperson	Nil
Head (IT)	13/02/2025	Member	Nil
Chief Operating Officer	13/02/2025	Member	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

The terms of reference of Information Security Committee inter-alia includes the following: -

- Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE’s risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
- Updating ITSC and CEO periodically on the activities of ISC.

L. Special Committee of executives for monitoring and follow-up of cases of frauds

The Board constituted a Special Committee of executives for monitoring and follow-up of cases on frauds (SCEMF) in accordance with the provisions of Master Direction on Fraud Risk Management in Non-Banking Financial Companies (NBFCs), (including Housing Finance Companies) issued by Reserve Bank of India and in accordance with the Fraud Risk Management Policy of the Company.

During the financial year 2025-26, no meeting of the SCEMF Committee was held.

The particulars of Members of the Committee as on March 31, 2026 are as follows:

Name/Designation of the Member	Member of Committee Since	Capacity	No. of Shares held in the Company
Ms. Shilpa Pophale	13/02/2025	Managing Director & CEO as Chairperson	7,88,000
Chief Human Resource Officer	13/02/2025	Member	Nil
Chief Business Officer	13/02/2025	Member	Nil
Chief of Staff	13/02/2025	Member	Nil
Mr. Amit Gadre	13/02/2025	Member	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no changes in the constitution of the Committee during the financial year ended March 31, 2026.

The terms of reference of the SCEMF Committee inter alia include the following:

- Oversee the effectiveness of the fraud risk management in the company;
- Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening
  the internal controls, risk management framework and minimizing the incidence of frauds (The periodicity of such reviews may be decided by SCEMF as and when required but should be done at least once in a quarter);
- Implement the fraud risk management policy of the Company through the Senior Management;
- Ensure that Whistle Blower complaints on possible fraud cases/suspicious activities in accounts(s) are examined and concluded appropriately under the Whistle Blower Policy.

4. Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of Companies Act, 2013, a meeting of the Independent Directors of the Company is required to be conducted once a year in absence of Non-Independent Directors.

The Independent Directors conducted their separate meeting on March 31, 2026 which was chaired by Mrs. Smita Sandhane and attended by all the Independent Directors without attendance of non-independent Directors and members of management, inter alia, to review the matters statutorily prescribed under the Act. No sitting fees was paid to independent directors for the said meeting.

5. Shareholders General Body meetings

Sr. No.	Type of meeting	Date and Place	Special resolutions passed
1.	35th Annual General meeting	September 17, 2025, Audumbar', 101/1, Erandawane, Dr. Ketkar Road, Pune - 411004	• Amendments in 'Electronica Finance Limited – Employee Stock Option Plan 2017 ("ESOP 2017"/ "Plan"). • Issuance and offer 5,90,292 (Five Lakhs Ninety Thousand Two Hundred And Ninety-Two) Series B2 Compulsorily Convertible Cumulative Preference Shares through Preferential Allotment on a Private Placement basis. • Issuance of non-convertible debentures up to 1,000 crore in one or more tranches.

6. Regulatory and Statutory compliances

The Company has complied with all the guidelines, circular, notification and directions issued by RBI from time to time. The Company also places before the Board of Directors at regular intervals all such circulars and notifications to keep the Board informed and report on actions initiated on the same.

The Company has also been following provisions of the Companies Act, 2013 including the applicable Secretarial Standards issued by ICSI, applicable accounting standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Income Tax Act 1961, and other applicable statutory requirements.

7. Other Disclosures

a) Related Party Transactions

In line with the requirements of the Companies Act, 2013 and rules made thereunder and RBI (NBFC - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and consolidated Master Directions issued by the Reserve Bank of India, as amended from time to time, your Company has adopted Related Party Transactions Policy.

All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered by the Company. The related party transactions are placed before the Audit Committee on quarterly basis for their review.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. Related Party Transactions Policy is hosted on the website of the Company at https://www.electronicafinance.com/ investor-relations/

b) Code of Conduct

The Board has laid down Codes of Conduct for Board Members, Key managerial personnel's, Senior Management and Employees of the Company ('Codes'). The Code stands widely communicated across the Company at all times.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code on Prohibition of Insider Trading to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at https://www.electronica finance.com/investor-relations/

c) Disclosure of Accounting Treatment in Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and noticed under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and RBI (NBFC - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and consolidated Master Directions issued by the Reserve Bank of India, as amended from time to time.

d) Audit Qualifications

The Company's Financial Statements are free from any qualifications from the Auditors and Company continues to adopt best practices to achieve its business objectives.

e) Details of non-compliance with requirements of Companies Act, 2013

The Company has established proper control systems to ensure compliance with the provisions of all the applicable provisions of Companies Act, 2013 ("Act") along with applicable Accounting standards issued by the Institute of Chartered Accountant of India (ICAI) and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as notified/amended from time to time in respect of meetings of the board of directors and general meetings held during the year. Following is the instance of non-compliances under the Companies Act, 2013:

In accordance with the provisions of Sections 124(5) and 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was required to transfer unpaid/unclaimed dividend amounting to 63,438 (Rupees Sixty-Three Thousand Four Hundred Thirty Eight Only) pertaining to FY 2016-17 and 68,688 (Rupees Sixty Eight Thousand Six Hundred Eighty Eight Only) pertaining to FY 2017-18 to the Investor Education and Protection Fund (IEPF). The aforesaid amounts have been transferred to the IEPF as on the date of this Report. The transfer was delayed due to technical glitches and challenges arising from the migration of IEPF-related forms from the MCA V2 portal to the MCA V3 portal. The Company encountered persistent technical issues that impeded the timely completion of the transfer process. In this regard, the Company had lodged multiple grievances/complaints with the Ministry of Corporate Affairs (MCA) and undertook continuous follow-up to resolve the issues.

Further, pursuant to Section 124(6) of the Companies Act, 2013 and the applicable IEPF Rules, the Company is required to transfer the shares corresponding to the unpaid/unclaimed dividends to the IEPF Authority. The process for effecting the said transfer has already been initiated, and the Company remains committed to ensuring full compliance with all applicable statutory requirements.

f) Utilization of Funds

The debt fund raised during the year, through private placement has been utilized to meet the capital & business requirements while supporting the growth plans and for other general corporate purposes as mentioned in the offer documents.

8) Management Discussion and Analysis

The Management Discussion and Analysis Report is part of the Directors Report.

9) Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

10) Means of Communication

The Company has provided adequate and timely information to its stakeholders or public at large, inter alia, through the following means:

a) Publication of quarterly/half yearly/annual financial results:

The quarterly/half yearly and annual financial results of the Company are published in the English national daily newspaper circulating in the whole or substantially the whole of India viz. Financial Express.

b) Website Disclosure:

The Company's website contains a separate section namely "Investor Relations" https://www.electronicafinance.com/investor-relation/ where Shareholders' related information is available and Members can access information as required to be disseminated on the website of the Company pursuant to Regulation 62 of the SEBI Listing Regulations.

c) BSE Listing Centre (Listing Centre):

All periodical and other event-based compliance filings of the Company are filed electronically on web based application.

d) SEBI Complaints Redress System (SCORES):

Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Further, it is informed that your Company has not received any investor complaint in FY 2025-26.

11). Penalties and Strictures

During the year under review, you company has issued Non-Convertible Debentures which as listed on Wholesale Debt Market of BSE Limited. During the year, BSE Limited imposed the following penalty on the Company for non-compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Quarter/Month	Particulars of delay in compliances	Amount in fine paid in ₹
1.	For Month ended October 2024*	Regulation 50(1)(d) - Non-submission of prior intimation for fund raising.	5,900
	Total		**5900**

* The Company received an email communication from BSE Limited on March 2, 2026, in respect of the aforesaid fine, which was subsequently paid by the Company.

The details of the aforesaid non-compliance and penalty were placed before the Board of Directors at its meeting held on May 15, 2026. The Board reviewed the matter and provided its comments and suggestions, which were subsequently intimated to BSE Limited on May 18, 2026. The Company has meticulously implemented robust procedures and comprehensive checklists to proactively prevent any future instances of non-compliance and associated penalties.

12) Breach of Covenant

The Company has not breached any covenant related to loans availed or debt securities issued.

During the year under review, the Company has fully complied with all the covenants pertaining to the Non-Convertible Debentures issued.

13) Divergence in Asset Classification and Provisioning

The Reserve Bank of India has not observed any divergence in asset classification and provisioning for the Company.

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

Shilpa Pophale	**Sujit Natekar**
Managing Director & CEO	**Non-Executive Director**
DIN: 00182457	**DIN: 00182517**

Date: August 13, 2026
Place: Pune

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ANNEXURE V

Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties

Background:

Electronica Finance Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

Present Position of Directors and KMP of the Company:
The Board has constituted a Nomination & Remuneration Committee which is in compliance with the provisions of Section 178 of the Act and applicable Master Directions issued by Reserve Bank of India. The details of members are provided in the Corporate Governance section.

Terms of reference of the nomination and remuneration committee:
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board and devising a policy on the Board diversity.
- Recommend to the Board remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

Criteria for determining the following: -
Qualifications for appointment of Directors (including Independent Directors):
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.

The Remuneration and Nomination Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.
- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made.

Appointment of KMP / Senior Management:

- Selection based on required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct

Policy relating to Remuneration of Directors, KMP and Senior Managerial Personnel:

- To ensure that the level and components of remuneration are reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee are involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business are kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

Following criteria are also to be considered:

- Responsibilities and duties;
- Time & efforts devoted and Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the Remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.

We have applied consistent application of remuneration parameters across the organization. Provisions of law with regard making payment of remuneration, as may be applicable, are complied.

Whenever, there is any deviation from the policy, the justification /reasons should also be indicated/ disclosed adequately.

Review:
The policy is reviewed by the Nomination & Remuneration Committee and the Board, from time to time as necessary.

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

Shilpa Pophale	**Sujit Natekar**
Managing Director & CEO	**Non-Executive Director**
DIN: 00182457	**DIN: 00182517**

Date: August 13, 2026
Place: Pune

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I-Innovate

- Digitized the disbursement journey through implementation of E-Agreement

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INDEPENDENT AUDITOR'S REPORT

To the members of Electronica Finance Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Electronica Finance Limited ("the Company"), which comprise the balance sheet as at 31 March 2026, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS"), directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2026, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("Standards" or "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2026. These matters were addressed in the context of our audit of financial statements taken as a whole; in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the key audit matters as described below:

Key audit matters	How our audit addressed the key audit matters
Impairment of loans to customers: As at 31 March 2026, the Company has reported total gross loan assets of ₹ 3,75,906.09 Lakhs against which an impairment allowance of ₹ 7,045.55 Lakhs has been recorded. The accounting policies in respect of impairment losses on loans is given vide Note no. 3(d)(i) to the financial statements. The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which have a material impact on reported profits. Considering the significance of the above matter to the overall financial statements, and extent of management's estimates and judgements involved, we have identified this as a key audit matter for the audit of current year.	Our key audit procedures included the following: • Reviewed the Company's accounting policies for impairment of loan assets in accordance with the accounting principles laid down in Ind AS 109 "Financial Instruments" and the governance framework as per the guidelines issued by the Reserve Bank of India from time to time. • Understanding the process of expected credit losses ("ECL") estimation and tested the controls around data extraction and validation so as to evaluate the reasonableness of the Management estimates. • Tested the ECL model, including assumptions and underlying computation. • Carried out on test check basis, audit procedures to ensure the accuracy of DPD (Days Past Due) calculation and the appropriate classification of ECL stages. • Reviewed the completeness of the ECL provision by reconciling loan data dumps with the financial statements, and ECL schedules to ensure that the entire loan portfolio was subjected to the ECL provision. • We have examined on a test basis, the data inputs to the discounted cash flow models. • Compared the provision for ECL vis-à-vis provision as per the Reserve Bank of India (RBI) IRACP norms and confirmed that there is no shortfall of ECL when compared to the IRACP norms. • Assessed disclosures included in the financial statements in respect of ECL.
IT systems and controls: The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Accordingly, we identified IT systems and controls with reference to financial statements as a key audit matter for the Company.	• We involved our internal IT expert to carry out the testing of IT general controls and other controls relevant for financial reporting. • Obtained an understanding of the Company's IT related control environment, IT applications and databases relevant for the purpose of our audit of the financial statements. • On sample basis, tested the design and operating effectiveness of the Company's IT general controls over the IT applications and databases. Tested IT general controls particularly, Logical Access Management, Network Management, Backup Management, Business Continuity Management and other aspects of IT operational controls. • Where there is a dependency on vendor for software service, we have reviewed SOC 2 type 2 of the respective vendors to evaluate the design and operating effectiveness of controls.

Information other than the Financial Statements and Auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to communicate the matter to those charged with governance.

Managements and Board of Directors responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS and RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the for the financial year ended 31 March 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
   e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164 (2) of the Act;
   f) With reference to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above and refer to our paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
   h) As required by section 197 (16) of the Act, based on our examination of the books of the accounts and other records of the company and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act,

i) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements vide note no. 36 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026.

iii. The Company has not transferred the unclaimed dividend amounting to ₹ 63,438 and ₹ 68,688 for the FY 2017-18 and FY 2018-19 to the Investor Education and Protection Fund during the year ended 31 March 2026 within the stipulated time period as required u/s of Section 124 (5) & (6) of the Companies Act, 2013. The Company has represented that the delay was due to technical issues during the transfer process.

iv. Reporting on rule 11(e):

(a) The Management has represented that, to the best of its knowledge and belief, as stated in Note no. 51 (f) no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person (s) or entity(ies) including foreign entity (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall , whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in Note no. 51 (g) no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the financial year 2024-25 is in compliance with the provisions of Section 123 of the Companies Act, 2013. The Board of Directors have not recommended any dividend for financial year 2025-26 till date of signing this audit report.

vi. Based on our examination which included test checks, the Company has used application software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for following instances.

a) The audit trail feature was enabled at the database level from 9 October 2025.

b) The system commenced recording transaction-level timestamps for collection entries effective from 9 October 2025.

Further, during the course of our audit, except for mentioned above, we did not come across any instance of audit trail feature being tampered with and additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Arnob Choudhuri
Partner
Membership no.(F) 156378
UDIN: 26156378DVATQO8699

Date: 15 May 2026
Place: Pune

Annexure A to the Independent Auditor's Report

With referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report to the members of Electronica Finance Limited ("the Company") on even date we report the following

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) (A) The Company has maintained records of Property, Plant and Equipment except certain fields which are being updated for quantity, exact location.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) During the year, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company as at 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) is not applicable.

(ii) (a) The Company does not hold inventories and, accordingly, reporting under Paragraph 3(ii)(a) of the said Order is not applicable.

(b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the Company has provided us the quarterly returns/ statements, which have been filed by the Company with such banks or financial institutions. These quarterly returns/ statements are in agreement or have been reconciled with the books of account.

(iii) The Company has made investments in, provided guarantees and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and the Company has not provided any advances in the nature of loans or given security during the year, in respect of which:

(a) The Company is an asset finance company primarily engaged in the business of lending. Accordingly reporting under Paragraph 3(iii) (a) of the Order is not applicable

(b) The principal business of the Company is to give loans. The investments made, guarantees provided and the terms and conditions of grant of all loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans granted during the year in the ordinary course of business, the terms for repayment of principal and payment of interest have been stipulated, and repayments have generally been regular. However, there have been instances of overdue amounts. Considering the large volume of loan transactions, it is not practicable to provide party-wise details of such irregularities in this report. However, such details are available with the Company. As of 31 March 2026, 62,456 loan accounts with overdue amounts aggregating to ₹ 13,693 lakhs (Reported figures are Pre MRR).

(d) The following amounts are overdue for more than ninety days from any other parties to whom loan has been granted. The Company has taken reasonable steps for recovery of the overdue amount of principal and interest. (Reported figures are Pre MRR)

(₹ in Lakhs)

Number of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue
7,674	5,557	3,029	8,586

(e) The Company is an asset finance company primarily engaged in the business of lending. Accordingly reporting under Paragraph 3(iii) (e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment during the year.

(iv) During the year, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any public deposits and amounts deemed to be deposits as per the provisions of Companies Act and rules made thereunder. Further the Company has not accepted any deposits before the commencement of the Act. As such provisions of Section 73 to 76 of the Act are not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the companies Act, 2013 in respect of Company's services. Accordingly, the provisions of Paragraph 3(vi) of the Order are not applicable to the company.

(vii) In respect of statutory dues:

(a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, goods and services Tax, Cess and other material statutory dues as applicable with appropriate authorities. We further report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months except, Gujarat professional tax amounting to ₹ 20,400, which remained unpaid as on the reporting date, as informed by the management amount has been paid; however, the payment challan is yet to be received.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute except as stated under:

Name of the Statute	Nature of the Dues	Amount including interest & penalty (₹ .in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Employees Provident Fund and M.P Act, 1952	Provident Fund	337.18	September 2014 to March 2019	Regional Provident Fund Commissioner-Pune -I
Goods and Service Tax, 2017	GST	19.55	FY 2017-18	Appellate Authority-Tamil Nadu
Goods and Service Tax, 2017	GST	4.03	FY 2018-19	Appellate Authority-Telan-gana
Goods and Service Tax, 2017	GST	50.67	FY 2021-22	Appellate Authority-Tamil Nadu

(viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(ix) (a) The Company has not defaulted in repayment loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) The term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) The Company have not raised any funds on short term basis. Accordingly, reporting on paragraph 3(ix)(d) of the Order is not applicable.

(e) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(e) of the Order is not applicable.

(f) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under Paragraph 3(x)(a) is not be applicable.

(b) During the year, the Company has made private placement of preference shares 5,90,292 [Compulsory Convertible Preference Shares (CCPS)] of ₹ 20 each and right shares 3,81,498 of ₹ 10 each.

(xi) (a) During the course of our audit, we have not come across any other instances of fraud committed by the Company or any material instances of fraud on the Company by its officers or employees that have been noticed or reported.

(b) No report under section 143(12) of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and shared with us for reporting under this clause.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Note 40 of Financial Statements as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports issued to the Company during the year have been considered by us during the course of our audit.

(xv) Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act. As such, reporting under clause 3 (xv) is not applicable.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act").

(b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3(xvi)(c) of the Order is not applicable.

(d) The Group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) As disclosed in Note No. 48 to the financial statements, the Company does not have unspent amounts which are required to betransferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) In respect of amounts remaining unspent under Section 135(5) of the Companies Act, 2013 pursuant to ongoing projects, the Company had an unspent amount of ₹ 47.69 lakhs, which was required to be transferred to a special account in compliance with Section 135(6) of the Act. The Company has transferred the said amount to the specified bank account within the prescribed time limit, i.e., on or before 29 April 2026;

(xxi) The Company does not have subsidiary, associate or joint venture hence is not required to prepare consolidated financial statements. Accordingly, reporting on paragraph 3(xxi) of the Order is not applicable.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Arnob Choudhuri
Partner
Membership no.(F) 156378
UDIN: 26156378DVATQO8699

Date: 15 May 2026
Place: Pune

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of section 143 (3) of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls with reference to financial statements of Electronica Finance Limited ("the Company") as at 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2026, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the guidance note") issued by the Institute of Chartered Accountants of India ("ICAI").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Arnob Choudhuri
Partner
Membership no.(F) 156378
UDIN: 26156378DVATQO8699

Date: 15 May 2026
Place: Pune

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L-Lead

- Reinforced market leadership in Machine Finance with highest-ever annual disbursement of **₹509** Cr in March 2026

BALANCE SHEET
AS AT MARCH 31, 2026

(₹ in Lakhs)

Particulars	Note no	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	32,267.92	43,617.04
Bank balances other than cash and cash equivalents	5	528.08	1,105.98
Receivables			
Other receivables	6	242.98	305.83
Loans	7	3,68,860.54	3,14,768.84
Investments	8	15,336.47	7.86
Other financial assets	9	3,895.57	4,143.60
Derivative financial instrument		2,335.54	-
Non financial Assets			
Deferred tax assets (net)	10	804.67	414.53
Investment property	11	118.49	379.64
Asset held for sale	11A	186.10	-
Property, plant and equipment	12A	19,563.86	12,250.86
Right of use asset	12B	1,053.50	1,409.57
Capital work in progress	12C	96.60	96.60
Other intangible assets	12A	409.60	334.13
Other non financial assets	13	2,168.54	1,034.05
Total Assets		**4,47,868.46**	**3,79,868.53**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instrument		-	355.56
Payables			
Other payables			
Total outstanding dues of micro enterprises and small enterprises	14	61.29	-
Total outstanding dues of other than micro enterprises and small enterprises	14	1,599.99	898.58
Debt securities	15	44,192.00	41,297.51
Borrowings (other than debt securities)	16	2,42,557.53	2,22,231.08
Sub ordinated liabilities	17	19,383.16	9,551.42
Lease liability	41	1,147.39	1,453.15
Other financial liabilities	18	45,748.12	39,283.49
Non financial liabilities			
Current tax liabilities (net)	19	124.41	199.47
Provisions	20	888.96	477.29
Other non financial liabilities	21	385.37	430.63
Equity			
Share capital	22	4,358.43	4,202.22
Instruments entirely equity in nature	22	19,909.35	-
Other equity	23	67,512.46	59,488.13
Total Liabilities and Equity		**4,47,868.46**	**3,79,868.53**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements As per our report of even date — 1-59

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Arnob Choudhuri
Partner
Membership No.(F) 156378

Place: Pune
Date : May 15, 2026

For and on Behalf of Board of Directors
Electronica Finance Limited
CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale
MD & CEO
DIN: 00182457

Mr. Sujit Natekar
Director
DIN: 00182517

Mr. Vipin Maheshwari
Chief Financial Officer

Ms. Shraddha Lukkad
Company Secretary
M No: A52260

Place: Pune
Date : May 15, 2026

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in Lakhs except EPS)

Particulars	Note no	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	24	49,181.30	45,442.88
Fees and commission income	25	1,918.13	1,631.05
Lease income	25A	2,224.58	1,272.56
Net gain on derecognition of financial assets at amortised cost	26	6,593.39	5,039.23
Sale of services	27	144.40	82.58
Recoveries of financial assets written off	28	317.69	469.87
Net gain on fair value changes	29	694.15	201.22
Total revenue from operations (I)		**61,073.64**	**54,139.39**
Other income (II)	30	3,798.01	4,602.79
Total income (III) = (I) + (II)		**64,871.65**	**58,742.18**
Expenses			
Finance costs	31	28,092.77	22,785.61
Customer loyalty bonus	32	2,762.64	2,298.78
Impairment on financial instruments	33	5,744.71	4,407.52
Employee benefit expenses	34	14,108.76	14,664.51
Depreciation, amortisation and impairment	12D	1,648.96	1,490.12
Other expenses	35	5,629.54	6,865.44
Total expenses (IV)		**57,987.38**	**52,511.98**
Profit before exceptional item and tax (V) = (III) - (IV)		**6,884.27**	**6,230.20**
Exceptional item (VI)	58	332.27	-
Profit before tax (VII) = (V) - (VI)		**6,552.00**	**6,230.20**
Tax expense:			
Current tax	10	1,657.37	1,729.18
Deferred tax charge / (credit)	10	(473.97)	(648.61)
Tax for previous years	10	174.72	410.57
Total tax expense (VIII)		**1,358.12**	**1,491.14**
Profit after tax (IX) = (VII) - (VIII)		**5,193.88**	**4,739.06**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit and loss:			
Remeasurement losses on defined benefit plans		(100.09)	(3.56)
Tax impact on above	10	25.19	0.90
Items that will be reclassified to profit and loss:			
Fair value Gain/(Loss) on hedging instrument in a cash flow hedge		436.71	(466.05)
Tax impact on above		(109.92)	117.29
Other comprehensive loss for the year (net of tax) (X)		**251.89**	**(351.42)**
Total comprehensive income for the year (XI) = (IX) + (X)		**5,445.77**	**4,387.64**
Earnings per share (Nominal value per share ₹)	37		
Basic		20.58	19.26
Diluted		12.94	12.55
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements As per our report of even date — 1-59

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Arnob Choudhuri
Partner
Membership No.(F) 156378

Place: Pune
Date : May 15, 2026

For and on Behalf of Board of Directors
Electronica Finance Limited
CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale
MD & CEO
DIN: 00182457

Mr. Sujit Natekar
Director
DIN: 00182517

Mr. Vipin Maheshwari
Chief Financial Officer

Ms. Shraddha Lukkad
Company Secretary
M No: A52260

Place: Pune
Date : May 15, 2026

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2026

(₹ in Lakhs except EPS)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Cash flows from operating activities		
Profit before tax	**6,552.00**	**6,230.20**
Adjustments for:		
Depreciation and amortisation	1,648.96	1,490.12
Loss / (profit) on sale of fixed assets	(19.26)	4.50
Other balances written off	99.04	1,155.80
Credit balances written back	(305.59)	(1,763.18)
Impairment on loans	3,965.57	1,997.21
Loans written off	1,779.14	2,410.31
Stock option expenditure	4.78	93.98
Dividend income	(0.02)	(0.03)
Profit on sale of investments	(2,371.98)	(1,672.99)
Interest on margin money deposits	(281.86)	(304.63)
Net gain on derecognition of financial assets at amortised cost	(6,593.39)	(5,039.23)
Net gain on fair value changes	(694.15)	(201.22)
Disposal of assets	-	(3.01)
Impairment loss on investment property	(31.30)	12.76
Finance cost	28,092.77	22,785.61
	31,844.71	**27,196.20**
Finance cost paid	(27,236.59)	(22,933.07)
	4,608.12	**4,263.13**
Movements in working capital		
(Increase)/decrease in trade receivables	(36.18)	(1,109.68)
(Increase)/decrease in loans	(52,548.87)	(74,166.97)
(Increase)/decrease in other financial assets	(2,006.37)	(393.66)
(Increase)/decrease in other non-financial assets	(1,261.52)	(3.77)
Increase/(decrease) in other payables	1,068.29	1,794.05
Increase/(decrease) in other financial liabilities	6,769.06	9,453.38
Increase/(decrease) in provisions	311.57	38.14
Increase/(decrease) in other non-financial liabilities	(45.26)	203.59
Cash generated from / (used in) operations	**(43,141.16)**	**(59,921.79)**
Direct taxes paid (net of refunds)	(1,908.05)	(2,018.62)
Net cash flows from / (used in) operating activities (I)	**(45,049.21)**	**(61,940.41)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,799.43)	(2,518.00)
Purchase of intangible assets	(165.08)	(135.66)
Proceeds from maturity of fixed deposits	24,626.09	64,684.29
Payments towards fixed deposits	(24,000.00)	(61,500.00)
Proceeds from sale of property, plant and equipment	385.03	3.94
Proceeds from sale of investment property	150.75	-
Proceeds from sale of investments	2,17,502.90	1,68,572.92
Purchase of investments	(2,27,156.26)	(1,66,901.09)
Dividend received	0.02	0.03
Interest income	233.67	368.43
Investment in security receipts	(3,353.00)	-
Proceeds from security receipts	49.73	-
Net cash flows from / (used in) investing activities (II)	**(20,525.58)**	**2,574.86**
Cash flows from financing activities		
Repayment of debt securities	(4,845.50)	(625.96)
Repayment of borrowings other than debts securities	(89,288.63)	(67,399.57)
Proceeds from issue of shares	2,730.02	36,279.70
Proceeds from debts securities	7,740.00	10,184.00
Proceeds from borrowing other than debts securities	1,28,500.00	1,15,233.00
Proceeds from sub-ordinate debts securities	10,000.00	-
Dividend paid	(0.03)	(0.01)
Payment of lease liability	(610.19)	(617.05)
Net cash flows from / (used in) financing activities (III)	**54,225.67**	**93,054.11**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2026

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Net increase / (decrease) in cash and cash equivalents (I + II + III)	**(11,349.12)**	**33,688.56**
Cash and cash equivalents at the beginning of the year	43,617.04	9,928.48
Cash and cash equivalents for the period ended (refer note 4)	**32,267.92**	**43,617.04**
Components of cash and cash equivalents	**March 31, 2026**	**March 31, 2025**
Cash and cash equivalents at the end of the year		
i) Cash on hand	4.79	13.51
ii) Balances with banks	11,682.17	13,577.70
- in Fixed deposits (with original maturity of less than three months)	20,580.96	30,025.83
Total	**32,267.92**	**43,617.04**

Refer note 56 on the disclosure pertaining to investing and financing transaction that does not require use of cash & cash equivalents.
The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

The accompanying notes are an integral part of the financial statements As per our report of even date

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Arnob Choudhuri
Partner
Membership No.(F) 156378

Place: Pune
Date : May 15, 2026

For and on Behalf of Board of Directors
Electronica Finance Limited
CIN: U74110PN1990PLC057017

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Ms. Shraddha Lukkad
Company Secretary
M No: A52260

Place: Pune
Date : May 15, 2026

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2026

a. Equity Share Capital (₹ in Lakhs)

Particulars	Note no	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	22	2,504.01	2,253.46
Changes in equity share capital during the year		38.15	250.55
Balance at the end of the year		**2,542.16**	**2,504.01**

b. Preference Share Capital (₹ in Lakhs)

Particulars	Note no	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	22	1,698.21	1,265.37
Changes in equity share capital during the year		118.06	432.84
Balance at the end of the year		**1,816.27**	**1,698.21**
Total (a+b)		**4,358.43**	**4,202.22**

c. Other equity (₹ in Lakhs)

Particulars	Note no	Reserves and Surplus							Total other equity
		Securities premium	Retained earnings	Reserve fund as per RBI	General reserve	Capital reserves	Capital redemption reserve	Employee stock options outstanding	
Balance as on April 01, 2024	23	**9,712.79**	**20,840.61**	**6,306.72**	**2,230.24**	**6.76**	**4.89**	**217.53**	**39,319.54**
Profit after tax		-	4,739.06	-	-	-	-	-	**4,739.06**
Other comprehensive income (net of taxes)		-	(351.42)	-	-	-	-	-	**(351.42)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(947.81)	947.81	-	-	-	-	**-**
Share based payment to employees - charge for the year		-	-	-	-	-	-	93.97	**93.97**
Dividend Paid		-	(0.01)	-	-	-	-	-	**(0.01)**
Reclassification of CCPS from financial liability to equity		15,686.99	-	-	-	-	-	-	**15,686.99**
Balance as at March 31, 2025		**25,399.78**	**24,280.43**	**7,254.53**	**2,230.24**	**6.76**	**4.89**	**311.50**	**59,488.13**
Profit after tax		-	5,193.88	-	-	-	-	-	**5,193.88**
Other comprehensive income (net of taxes)		-	251.89	-	-	-	-	-	**251.89**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(1,038.78)	1,038.78	-	-	-	-	**-**
Share based payment to employees - charge for the year		-	-	-	-	-	-	4.78	**4.78**
Dividend paid		-	(0.03)	-	-	-	-	-	**(0.03)**
Securities premium on shares issued during the year		2,573.81	-	-	-	-	-	-	**2,573.81**
Balance as at March 31, 2026	**23**	**27,973.59**	**28,687.39**	**8,293.31**	**2,230.24**	**6.76**	**4.89**	**316.28**	**67,512.46**

The accompanying notes are an integral part of the financial statementsAs per our report of even date 1-59

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Arnob Choudhuri
Partner
Membership No.(F) 156378

Place: Pune
Date : May 15, 2026

For and on Behalf of Board of Directors
Electronica Finance Limited
CIN: U74110PN1990PLC057017

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Company Secretary
M No: A52260

Place: Pune
Date : May 15, 2026

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E-Execute

- Delivered executional excellence, driving a **60** bps reduction in cost of funds

1. Corporate Information

Electronica Finance Limited ('the Company') is a public limited company domiciled in India and incorporated on 26 June 1990 under the provisions of the Companies Act, 1956 (now Companies Act, 2013). The Company is registered under section 45IA of the Reserve Bank of India Act, 1934 vide Certificate of registration no B-13.01093 as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') classified as NBFC – Middle Layer under the Chapter II, Para A.2 of RBI (NBFC – Registrations, Exemptions and Framework for scale based regulations) Directions 2025 as updated on November 28, 2025, issued by the Reserve Bank of India ("RBI"). The Company is engaged primarily in the business of asset financing and operating lease transactions.

The financial statements for the year ended March 31, 2026 were approved by the company's board of directors and authorized for issue on May 15, 2026.

2. Basis of preparation and Compliance with Ind AS

(a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions') issued by RBI. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

(b) The financial statements have been prepared on accrual basis. Given further, financials have been presented in Indian rupees in lakhs (₹).

(c) Material accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 Presentation of financial statements

The Balance Sheet, the Statement of changes in Equity, and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet.They are offset and reported net only where it has legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the accounting policies, the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Accounting estimates and underlying assumptions are reviewed on an on-going basis and could change from period to period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 3.d.(i)]
- Fair value of financial instruments [Refer note no. 3.d(i)., 45, 46 & 50]
- Effective Interest Rate (EIR) [Refer note no. 3.d(i)]
- Impairment on financial assets [Refer note no. 3.d(i), 7 & 33]
- Provisions and other contingent liabilities [Refer note no. 3.t. & 36]
- Provision for tax expenses [Refer note no. 3.o.]
- Residual value and useful life of property, plant and equipment [Refer note no. 3.h.]

3. Summary of Material Accounting Policies

a. Income

(i) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

The company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

The Company recognizes interest income by applying the EIR to the gross carrying amount of the loan asset (i.e. loan amount less cash collateral collected from the customer at the inception of the loan).

Penal and other financial charges:

Cheque bouncing charges, late payment charges, penal interest, foreclosure charges and application money are recognized on a point-in-time basis and are recorded when realized since the probability of collecting such monies is established when the customer pays.

(ii) Leasing Business

The income on account of rentals are recognised on accrual basis, provided no uncertainty exists with respect to its collection. Income in cases where possibility of recovery has been considered to be remote, including on non-performing assets as determined as per applicable regulatory framework, as amended has been accounted for to the extent realised. The company is following the provisioning norms which are more conservative than the provisioning norms prescribed under the Master Directions issued by the RBI.

(iii) Other revenue from operations

Revenue (other than those items to which Ind AS 109, Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Ind AS 115, Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Income from direct assignment (Net gain on derecognition of financial assets at amortised cost)

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread ("EIS"). The future EIS computed based on the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss statement.

(b) Fees and commission income

The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognized on rendering of services and products to the customer.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

(c) Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL). The Company recognizes gains/losses on fair value change of financial assets measured as FVTPL and realized gains/losses on de-recognition of financial asset measured at FVTPL.

(d) Sale of services

Other revenues on sale of services are recognized as per Ind AS 115 'Revenue from Contracts with Customers' as articulated above in 'other revenue from operations'.

(e) Dividend income

Dividend income is recognized when the company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(f) Recoveries of financial assets written off

The company recognizes income on recoveries of financial assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.

Any other operating income is recognised on completion of service.

(iv) Indirect Taxes:

Incomes are recognized net of the Goods and Services Tax, wherever applicable.

b. Expenditures

(i) Finance costs

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the Effective Interest Rate method (EIR). These include fees and commission and other expenses such as external legal costs, rating fee, trusteeship fees etc., provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio, etc., are recognized in the Statement of Profit and Loss on an accrual basis.

(iii) Customer loyalty bonus

Customer loyalty bonus is an amount payable to the borrower at completion of his loan tenure. The provision for such liability is calculated based on 2 factors –

(a) Time proportion

(b) Discounting to arrive at present value.

(iv) Taxes

Expenses are recognized net of the Goods and Services Tax, except where credit for the input tax is not statutorily permitted. As per GST Law, 50% Input tax credit needs to be reversed as the company is a

NBFC. Such credit reversal is accounted for, as an expense.

(v) Other expenses

Expenses are recognised on accrual basis only.

c. Cash and Cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other investments with original maturity of greater than 3 months are classified in Bank balances other than cash and cash equivalents

d. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments. Financial assets and financial liabilities are initially measured at fair value. However, others receivables that do not contain a significant financing component are measured at transaction price.

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date. 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 recognized when funds are transferred to the customer's account (or to the account of a machine supplier for supply of machinery to the customer based on customer's request). The company recognizes debt securities, deposits, and borrowings when funds are credited to the bank account of the Company.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents, etc.

Upfront fees

The company enters into contract with customers to provide loan wherein customer is required to pay a non-refundable processing fees, these fees are amortized over the net expected life of the loan based on the EIR method.

Effective Interest Rate (EIR) method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected net life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (excluding prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Initial measurement

All financial assets are recognized initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

For subsequent measurement, financial assets are classified into two categories:

(a) Financial assets at amortized cost

(b) Financial assets at fair value through profit and loss (FVTPL)

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortized cost category is to hold and collect contractual cash flows..

(a) Financial assets at amortized cost

The Company measures its financial assets at amortized cost if both the following conditions are met:

(i) The asset is held within a business model of collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

After initial measurement, such financial assets are subsequently measured at amortized cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

(b) Financial assets at fair value through profit and loss (FVTPL)

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest income is recorded according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into mutual funds and bank deposits used for short-term cash flow management have been classified under this category.

De-recognition of Financial Assets

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognized, the Company does not have any continuing involvement in the same;
- The Company transfers its financial assets through the partial assignment route and accordingly derecognizes the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognized at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received are expected to be more than adequate compensation for the servicing, a service asset is recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On de-recognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of de-recognition) and
- The consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

Write off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets

Expected Credit Losses (ECL) are recognized for financial assets held under amortized cost and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets and the related impairment loss allowances are written off in full when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months is recognized for financial instruments in stage 1.

The Company ascertains default events based on past behavioral trends witnessed for each homogeneous portfolio. These trends are established based on customer behavior and economic trends in industry.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company determines that all assets are deemed to have suffered a significant increase in credit risk when more than 30 days past due.

Based on other indications of borrower's delaying payments beyond due dates though not 30 days past due and other indications like non-cooperative borrowers, customer's overall indebtedness, death of customer, adverse impact on the business, serious erosion in the value of the underlying collateral, certain accounts are included in stage 2.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenor, underlying collateral, geographies, and borrower profiles.

The default risk is assessed using PD (Probability of Default) derived from past behavioral trends of default across the identified homogenous portfolios.

The default risk is established based on multiple factors like nature of security, customer industry segments, current conditions and future macroeconomic conditions.

(c) Credit impaired (stage 3)

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage

3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default is done for such loans.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL considers the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a Loss Given Default (LGD) and exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- 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 realized and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

Initial measurement

All financial liabilities are recognized initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortized cost using the EIR [Refer note no. 3.d.(i)]. Any gains or losses arising on de-recognition of liabilities are recognized in the Statement of Profit and Loss.

De-recognition

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

e. Rescheduled loans

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 reschedule only if the Company notices temporary cash flow mismatch due to borrower's present Forbearance. Reschedule 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 occur. De-recognition decisions and classification between Stage 2 and Stage 3 are determined on a case to case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognized, the Company also reassesses whether there has been a significant increase in credit risk.

The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period.

For the loan to be reclassified out of the forborne category, the customer has to make regular repayment for minimum 12 months.

f. Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

g. Functional currency and Foreign currency transactions

The functional currency and presentation currency of the Company is Indian Rupee (₹). All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated. Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

Initial Recognition: A foreign currency transaction is recorded, on initial recognition at the spot rate at the date of the transaction.

Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

Exchange Differences: Exchange Differences arising on the settlement of monetary items, (if any) at rate different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or as expenses in the year in which they arise.

h. Property, Plant and Equipment (PPE)

(i) PPE is recognised 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. Property, plant and equipment are measured on initial recognition at cost. The cost comprises of the purchase price, the borrowing costs if the capitalization criteria is met, initial estimate of costs of removing and dismantling an item and restoring a site where it is located and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment in their carrying value, if any

(ii) Depreciation on property, plant and equipment

Depreciation is provided using the Straight-Line Method based on the useful lives of the assets prescribed under Schedule II to the Companies Act, 2013 and in the manner provided therein. Accordingly, the useful lives considered for determining the rate of depreciation are as under:

Type of tangible assets	Useful life adopted by the company (in years)
Buildings	60
Plant and Machinery	15
Computer	3
Furniture	10
Leased Assets	15
Motor Vehicles	8
Servers and Networks	6
Office Equipment	5

The depreciable amount of an asset is determined after deducting its residual value. In practice, the residual value of an asset is considered to be 5% of cost.

(iii) Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

(iv) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Intangible assets and amortization thereof

(i) An intangible asset is recognised when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. Intangible asset is measured on initial recognition at cost. Intangible asset acquired separately is measured on initial recognition at cost. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets & subsequently, it is measured at cost less accumulated depreciation and accumulated impairment.

(ii) Amortization is recognized in accordance with the requirements of Indian Accounting Standard (Ind AS) 38 – 'Intangible Assets'. Accordingly, amortization of computer software is charged using the Straight-Line Method as per useful lives of respective assets which is presently considered as 6 years. The useful lives of intangible assets are reviewed at each financial year and the amortization is adjusted prospectively, if appropriate.

j. Investment property

As per Ind AS 40, land and buildings which are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred. Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful life. Useful life of assets, as assessed by the management, corresponds to those mentioned in note h (ii) above.

Though the company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined as the net present value of future cash flows discounted at cost of funds.

The investment property is de-recognized on disposal or on permanent withdrawal from use and no future economic benefits is expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

k. Assets held for sale

Assets and disposable groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification except in some circumstances this period can be extended if it is beyond the control of management and there are sufficient evidence that the entity remains committed to its plan to sell the asset. Asset classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition. Asset are not depreciated while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Asset classified as held for sale are presented separately from the other assets in the balance sheet.

l. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

m. Cash collateral

Financial liabilities related to cash collateral (margin) of borrowers are considered in the effective interest rate computation of loan portfolio.In case of subsequent assignment of loans, gain on assignment is arrived at after considering the fair value of cash collateral at the time of such assignment.

Financial liabilities related to cash collateral (margin) held against the cross-collateral exposures to borrowers under co-branding arrangements are recognized at fair value on initial recognition. The FV gain arising out of such valuation is recognized in the Statement of Profit or Loss on a time proportionate basis.

n. Retirement and other employee benefits

(i) Provident fund

Retirement benefit in the form of provident fund and pension fund are defined contribution schemes and the contributions are charged to the statement of profit and loss for the year when the employee renders the related service.

(ii) Leave encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(iii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Re-measurements, 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, are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not classified to profit or loss in subsequent periods.

o. Share Based Payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service conditions are not taken into consideration when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions are not met.

p. Income taxes

(i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

(ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

q. Earnings Per Share

(i) Basic Earnings per share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Leases

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Company as lessee:

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

(i) increased by interest on lease liability;

(ii) reduced by lease payments made; and

(iii) re-measured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company adopts the exemption permitted in Ind AS 116 for low value assets and short-term leases. In such case, the lease payments associated with such leases are recognised as expense on straight-line basis over the lease term.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

s. Compulsorily Convertible Preference Shares:

Compulsorily Convertible Preference Shares ("CCPS") at the time of initial recognition did not meet the definition of Equity in accordance with Ind AS, hence these were disclosed as debt instruments on initial recognition. The CCPS were recognized at fair value on initial recognition. However once the conversion ratio of these CCPS was fixed based on the milestone defined in the shareholders agreement, these CCPS are reclassified as equity instruments.

t. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted (except for provision related to customer loyalty bonus) to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements and takes it into account while computing the Capital-to-Risk Weighted Assets Ratio (CRAR) as per risk weight defined under applicable RBI norms.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

u. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) Estimated amount of contracts remaining to be executed on capital account, loans and not provided for;
(b) Uncalled liability on shares and other investments partly paid;
(c) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

v. Fair value measurements

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of 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 in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 45 and 46.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

w. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment (primary segment) of providing financial services to customers in India.

x. Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements. In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

4 Cash and cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	4.79	13.51
Balance with banks -		
- in current accounts	11,682.17	13,577.70
- in Fixed deposits (with original maturity of less than three months)	20,580.96	30,025.83
Total	**32,267.92**	**43,617.04**

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5 Bank balances other than cash and cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed deposits with bank (more than three months)	-	132.44
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	528.08	973.54
Total	**528.08**	**1,105.98**

6 Receivables (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Other receivables		
Other receivables considered good-unsecured	242.98	305.83
Less: Allowances for impairment loss on credit impaired other receivables	-	-
Net	**242.98**	**305.83**

- No other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

As at March 31, 2026 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Other Receivables- considered good*#	98.66	0.56	91.66	52.10	-	**242.98**
(ii) Undisputed Other Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Other Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Other Receivables- considered good	-	-	-	-	-	-
(v) Disputed Other Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Other Receivables- credit impaired	-	-	-	-	-	-
Total	**98.66**	**0.56**	**91.66**	**52.10**	**-**	**242.98**

* There are no unbilled dues as at March 31, 2026
# Receivables of ₹ 85.34 lakhs related to advance paid to vendor.

As at March 31, 2025 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Other Receivables- considered good*	89.62	91.66	124.55	-	-	**305.83**
(ii) Undisputed Other Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Other Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Other Receivables- considered good	-	-	-	-	-	-
(v) Disputed Other Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Other Receivables- credit impaired	-	-	-	-	-	-
Total	**89.62**	**91.66**	**124.55**	**-**	**-**	**305.83**
* There are no unbilled dues as at March 31, 2025						

7 Loans (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
At amortised cost		
(A) Term loans *	3,75,906.09	3,20,455.14
Less: impairment allowance	(7,045.55)	(5,686.30)
Total (A)	**3,68,860.54**	**3,14,768.84**
(B) Out of the above		
(I) Secured (against hypothecation of equipments, plant & machinery, book debts and equitable/ registered mortgage of immovable properties, etc.)	3,65,411.53	3,15,787.81
Less: impairment allowance	(6,844.27)	(5,618.82)
Sub total (I)	**3,58,567.26**	**3,10,168.99**
(II) Unsecured	10,494.56	4,667.33
Less: impairment allowance	(201.28)	(67.48)
Sub total (II)	**10,293.28**	**4,599.85**
Total (B) (I+II)	**3,68,860.54**	**3,14,768.84**
(C) Out of the above		
(I) Within India	3,75,906.09	3,20,455.14
Less: impairment allowance	(7,045.55)	(5,686.30)
Sub total (I)	**3,68,860.54**	**3,14,768.84**
(II) Outside India	-	-
Total (C) (I+II)	**3,68,860.54**	**3,14,768.84**
(D) Out of the above		
(I) to public sector/government entities	-	-
(II) Others	3,75,906.09	3,20,455.14
Less: impairment allowance	(7,045.55)	(5,686.30)
Sub total (II)	**3,68,860.54**	**3,14,768.84**
Total (D) (I+II)	**3,68,860.54**	**3,14,768.84**
(E) Out of the above		
(I) Due from related parties	6.38	17.61
Less: impairment allowance	(0.02)	(0.07)
Sub total (I)	**6.36**	**17.54**
(II) Others	3,75,899.71	3,20,437.53
Less: impairment allowance	(7,045.53)	(5,686.23)
Sub total (II)	**3,68,854.18**	**3,14,751.30**
Total (E) (I+II)	**3,68,860.54**	**3,14,768.84**

* The above mentioned loan book is net of cash collateral amounting to ₹ 69,956.66 lakhs (PY ₹ 78,903.80 lakhs)

Summary of loans by stage distribution (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Stage 1		
Gross carrying value	3,61,566.85	3,09,067.54
Less: impairment allowance	(2,326.65)	(2,026.34)
Net carrying value (A)	**3,59,240.20**	**3,07,041.20**
Stage 2		
Gross carrying value	6,523.96	5,050.93
Less: impairment allowance	(814.38)	(641.44)
Net carrying value (B)	**5,709.58**	**4,409.49**
Stage 3		
Gross carrying value	7,815.28	6,336.67
Less: impairment allowance	(3,904.52)	(3,018.52)
Net carrying value (C)	**3,910.76**	**3,318.15**
Total		
Gross carrying value	3,75,906.09	3,20,455.14
Less: impairment allowance	(7,045.55)	(5,686.30)
Net carrying value (A+B+C)	**3,68,860.54**	**3,14,768.84**

Analysis of changes in the gross carrying amount and corresponding Expected credit loss allowances in relation to loans is as follows (₹ in Lakhs)

Particulars	As at March 31, 2026							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
as at March 31, 2025	**3,09,067.54**	**2,026.34**	**5,050.93**	**641.44**	**6,336.67**	**3,018.52**	**3,20,455.14**	**5,686.30**
Transfers during the year								
transfers to Stage 1	430.44	5.30	(313.46)	(4.31)	(116.98)	(0.98)	-	-
transfers to Stage 2	(4,906.78)	(608.75)	4,973.00	619.86	(66.21)	(11.11)	(0.00)	(0.00)
transfers to Stage 3	(4,707.29)	(2,344.94)	(1,086.68)	(526.34)	5,793.98	2,871.27	0.01	-
Impact of changes in credit risk on account of stage movements	-	2,422.04	-	61.58	-	(1,588.84)	-	894.78
Changes in opening credit exposures (additional disbursement net of repayments)	(1,48,941.07)	(334.19)	(2,918.26)	(89.84)	(2,468.93)	192.48	(1,54,328.26)	(231.55)
New credit exposures during the year, net of repayments	2,10,624.02	1,160.84	818.42	111.99	115.90	56.90	2,11,558.35	1,329.73
Amounts written off during the year					(1,779.14)	(633.70)	(1,779.14)	(633.70)
as at March 31, 2026	**3,61,566.85**	**2,326.65**	**6,523.96**	**814.38**	**7,815.28**	**3,904.52**	**3,75,906.09**	**7,045.55**

(₹ in Lakhs)

Particulars	As at March 31, 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
as at March 31, 2024	**2,38,188.24**	**1,825.17**	**1,772.48**	**318.74**	**3,519.71**	**1,558.85**	**2,43,480.42**	**3,702.76**
Transfers during the year								
transfers to Stage 1	488.05	318.30	(341.06)	(129.89)	(146.99)	(188.41)	-	-
transfers to Stage 2	(4,236.83)	(59.99)	4,294.07	99.24	(57.24)	(39.24)	(0.00)	-
transfers to Stage 3	(3,791.47)	(45.17)	(645.52)	(106.68)	4,436.99	151.85	-	-
Impact of changes in credit risk on account of stage movements	-	(974.64)	-	448.51	-	1,513.21	-	987.08
Changes in opening credit exposures (additional disbursement net of repayments)	(1,14,596.38)	(239.96)	(647.22)	(58.56)	644.17	542.59	(1,14,599.43)	244.07
New credit exposures during the year, net of repayments	1,93,015.93	1,202.63	618.17	70.09	350.33	195.32	1,93,984.47	1,468.04
Amounts written off during the year	-	-	-	-	(2,410.31)	(715.65)	(2,410.31)	(715.65)
as at March 31, 2025	**3,09,067.54**	**2,026.34**	**5,050.93**	**641.44**	**6,336.67**	**3,018.52**	**3,20,455.14**	**5,686.30**

Details of impairment on financial instruments disclosed in the Statement of Profit and Loss (Refer Note 33)

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Net impairment loss allowance charge for the year	3,965.57	1,997.21
Amounts written off during the year	1,779.14	2,410.31
Impairment on financial instruments	**5,744.71**	**4,407.52**

8 Investments (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
I. Investments carried at fair value through profit and loss account		
(i) In equity instruments		
Equity shares (Quoted)	8.53	7.21
Equity shares (Unquoted)*	0.65	0.65
(ii) In Mutual funds	12,024.02	-
II. Investments carried at amortised costs		
3,30,327 (March 31, 2025: nil) security receipts of Rs.1,000 each fully paid up issued by Paras -189 Trust (mortgaged backed securities)	3,303.27	-
Total	**15,336.47**	**7.86**
*** Out of the above**		
- Within India	15,336.47	7.86
- Outside India	-	-
Total	**15,336.47**	**7.86**
*** Out of the above**		
- Quoted	12,032.55	7.21
- Un-quoted	3,303.92	0.65
Total	**15,336.47**	**7.86**

*Unquoted equity shares includes investment in equity shares of related party i.e. Electronica Hitech Machine Tools Private Limited of ₹ 0.03 Lakhs (March 31, 2025: ₹ 0.03 lakhs)

9 Other financial assets (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Security deposits	190.72	94.72
Capital advance & others	47.38	-
Retained interest on assets assigned	3,555.14	3,861.85
Receivable from bank towards assignment retained portion	102.33	102.32
Lease rent receivable	-	84.71
Total	**3,895.57**	**4,143.60**

10 Deferred tax assets (net) **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Deferred tax asset		
Disallowance u/s 43B of Income tax Act, 1961	186.82	51.99
EIR impact on financial instruments (assets) measured at amortised cost	99.43	104.56
Impairment on financial instruments	1,784.95	826.70
Fair Value of FC borrowings	-	89.49
Employee stock options issued	-	99.52
Remeasurement of actuarial losses through OCI	25.19	0.90
Fair value Gain/(Loss) on hedging instruments in a cash flow hedge	-	117.29
Service asset on derecognition of financial assets	77.20	-
Leases	-	11.58
Other temporary differences	(6.05)	-
Subtotal (A)	**2,167.53**	**1,302.03**
Less:		
Deferred tax liability		
Depreciation / amortization charged for the financial reporting	(471.36)	97.34
Fair valuation of cash collateral	(405.45)	(202.62)
Loyalty bonus provision	-	(533.51)
Service asset on derecognition of financial assets	-	(132.05)
EIR impact on financial instruments (liabilities) measured at amortised cost	(222.23)	(17.55)
Fair valuation of Investments	(86.21)	(0.68)
Fair value of FC borrowings	(65.68)	-
Fair value Gain/(Loss) on hedging instrument in a cash flow hedge	(109.91)	-
Leases	(2.04)	-
Other temporary differences	-	(98.42)
Subtotal (B)	**(1,362.87)**	**(887.50)**
Total (A+B)	**804.67**	**414.53**

a. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate applicable to the company. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is, as follows:

(₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Profit before tax	**6,552.00**	**6,230.20**
At India's statutory corporate tax rate of 25.17% (March 31, 2025: 25.17%)	1,649.01	1,568.02
Tax impact due to revaluation of deferred tax due to change in Income tax rate	(0.01)	(0.01)
Tax on expenditure not subject to tax	190.51	24.54
Tax on expenditure not considered for tax	(628.67)	(56.51)
Tax adjustment with respect to earlier years*	174.72	410.57
Tax on additional items	(27.44)	(455.47)
Income tax expense reported in the statement of profit and loss	**1,358.12**	**1,491.14**

- The Company opted for reduced corporate tax rate of 25.17% as per recently inserted section 115BAA of the Income Tax Act, 1961.
- *During the year, the Company has re-assessed its tax position based on intimations received from Income Tax Department. Accordingly, the Company has accounted tax expense for earlier years and increased the current year's tax provision.
- The effective income tax rate for the financial year ended on March 31, 2026 is 20.73% (March 31, 2025 : 23.93%).

b. Deferred Tax

Changes in deferred tax recorded in profit and loss account: (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Disallowance u/s 43B of Income tax Act, 1961	(109.63)	12.33
EIR impact on financial instruments measured at amortised cost	209.81	675.53
Loyalty bonus provision	(533.51)	630.66
Depreciation / amortization charged for the financial reporting	568.70	(250.85)
Impairment on financial instruments	(958.25)	(24.97)
Fair value of FC borrowings	89.49	(89.49)
Leases	11.57	24.72
Fair valuation of cash collateral	202.83	(1,044.94)
Employee Stock Options issued	99.52	(8.21)
Service asset on derecognition of financial assets	(132.06)	(707.85)
Fair valuation of investments	85.53	(0.57)
Remeasurement of actuarial losses through OCI	(24.29)	6.44
Other temporary differences	16.33	128.59
Total charge/(credit)	**(473.96)**	**(648.61)**

Changes in deferred tax assets recorded in other comprehensive income (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Deferred tax relates to following:		
Remeasurement of actuarial (gain)/loss through OCI	(25.19)	(0.90)
Cash flow hedging on interest & currency swap contract	109.92	(117.29)
Total charge/(credit)	**84.73**	**(118.19)**

11 Investment property

Gross Block (₹ in Lakhs)

Particulars	
as at April 01, 2024	**526.02**
Additions	-
Disposals	-
Reclassified to property, plant and equipment	-
as at March 31, 2025	**526.02**
Additions	-
Disposals	122.20
Reclassified to asset held for sale	215.82
as at March 31, 2026	**188.00**

Depreciation (₹ in Lakhs)

Particulars	
as at April 01, 2024	**40.68**
Charge for the year	7.70
Disposals	-
Reclassified to property, plant and equipment	-
as at March 31, 2025	**48.38**
Charge for the year	7.25
Disposals	22.86
Reclassified to asset held for sale	26.22
as at March 31, 2026	**6.55**

Impairment loss (₹ in Lakhs)

Particulars	
as at April 01, 2024	**85.00**
Charge for the year	13.00
Disposals	-
as at March 31, 2025	**98.00**
Charge for the year	-
Disposals	-
Adjustments	(35.05)
as at March 31, 2026	**62.95**

Net Block (₹ in Lakhs)

Particulars	
as at March 31, 2025	**379.64**
as at March 31, 2026	**118.50**

i. Amount recognised in profit and loss for investment properties (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Rental income	-	9.15
Direct operating expenses	5.62	1.84

ii. Fair Value (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Investment property	118.49	590.92

(₹ in Lakhs)

As at	Carrying value	Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
March 31, 2026	118.50	-	-	118.49	118.49
March 31, 2025	379.64	-	-	590.92	590.92

Estimation of Fair value

Fair value of the investment property as on March 31, 2026 and March 31, 2025 are based on the valuation by a registered valuer as defined in rule 2 of Companies (Registered Valuers & Valuations) Rules, 2017.

Contractual Obligations

The Company has no restrictions on the realisability of its Investment Property. Further there are no contractual obligations to purchase, construct or develop investment property at the year ended March 31, 2026 and March 31, 2025.

11A Asset held for sale# (₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Investment property (carrying value)*	**186.10**	**-**
Fair Value	**217.50**	**-**

*The Company has classified certain investment properties as asset held for sale as on March 31, 2026 under an active program to sell them on or before March 31, 2027. It includes residential and commercial properties located at Pune, Mumbai and Vapi locations where the management has identified the potential buyer for these properties and the agreement for sale / memorandum is executed.

#The investment properties were classified as held for sale on March 31, 2026 post which the depreciation and amortisation has been ceased.

12

12A Property, plant and equipment & Intangible assets (₹ in Lakhs)

Particulars	Tangible assets										Intangible assets	
	Land	Building	Plant and Machinery	Computers	Office Equipment	Furniture and Fixture	Vehicles	Right of use assets	Leased Asset	Total (excluding ROU)	Software	Total
Gross block												
as at April 01, 2024	**1,389.96**	**4,002.37**	**298.98**	**955.76**	**684.68**	**1,603.89**	**75.96**	**2,634.92**	**4,634.03**	**13,645.63**	**741.86**	**741.86**
Additions				32.96	34.49	45.49	0.87	463.41	1,910.48	2,024.29	135.69	135.69
Disposals/adjustments	-	-	-	95.98	(2.73)		-		25.41	118.66	-	-
as at March 31, 2025	**1,389.96**	**4,002.37**	**298.98**	**892.74**	**721.90**	**1,649.38**	**76.83**	**3,098.33**	**6,519.10**	**15,551.26**	**877.55**	**877.55**
Additions		38.21	1.87	46.21	30.33	28.00	2.49	351.97	8,652.33	8,799.44	165.08	165.08
Disposals/adjustments	-	165.49	-	1.28	0.58	-	-	232.10	312.03	479.38	-	-
as at March 31, 2026	**1,389.96**	**3,875.09**	**300.85**	**937.67**	**751.65**	**1,677.38**	**79.32**	**3,218.20**	**14,859.40**	**23,871.33**	**1,042.63**	**1,042.63**
Depreciation & amortisation												
as at April 01, 2024	**-**	**420.88**	**92.90**	**492.77**	**410.16**	**582.90**	**39.50**	**1,195.45**	**285.21**	**2,324.32**	**468.19**	**468.19**
Charge for the year	-	63.37	7.19	233.97	79.03	135.26	9.08	548.97	331.24	859.14	74.32	74.32
Disposals/adjustments	-	-	-	87.54	-	-	-	55.66	-	87.54	-	-
as at March 31, 2025	**-**	**484.25**	**100.09**	**639.20**	**489.19**	**718.16**	**48.58**	**1,688.76**	**616.45**	**3,095.92**	**542.51**	**542.51**
Charge for the year	-	62.50	7.22	162.97	71.45	136.26	9.15	475.70	619.44	1,068.99	89.62	89.62
Disposals/adjustments	-	26.67	0.12	(0.57)	0.10	0.07	0.09	(0.24)	35.46	61.94	0.01	0.01
as at March 31, 2026	**-**	**520.08**	**107.19**	**802.74**	**560.54**	**854.35**	**57.64**	**2,164.70**	**1,200.43**	**4,102.97**	**632.12**	**632.12**
Impairment loss												
as at April 01, 2024	**-**	**-**	**126.73**	**-**	**2.82**	**74.93**	**-**	**-**		**204.48**	**0.91**	**0.91**
Charge for the year	-	-	-	-	-	-	-	-		-	-	-
as at March 31, 2025	**-**	**-**	**126.73**	**-**	**2.82**	**74.93**	**-**	**-**		**204.48**	**0.91**	**0.91**
Charge for the year	-	-	-	-	-	-	-	-		-	-	-
as at March 31, 2026	**-**	**-**	**126.73**	**-**	**2.82**	**74.93**	**-**	**-**	**-**	**204.48**	**0.91**	**0.91**
Net Block												
as at March 31, 2025	**1,389.96**	**3,518.12**	**72.16**	**253.54**	**229.89**	**856.29**	**28.25**	**1,409.57**	**5,902.65**	**12,250.86**	**334.13**	**334.13**
as at March 31, 2026	**1,389.96**	**3,355.01**	**66.93**	**134.93**	**188.29**	**748.10**	**21.68**	**1,053.50**	**13,658.97**	**19,563.89**	**409.60**	**409.60**

Note 1: The Company confirms that the title deeds of immovable properties are held in the name of the Company. Further the Company has not revalued any of its property, plant and equipment during the financial years ended March 31, 2026 and March 31, 2025. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is ₹ nil.

12B Right of use assets **(₹ in Lakhs)**

Particulars	As at March 31,2026	As at March 31, 2025
At fair value as at the beginning of the year	**3,098.33**	**2,634.92**
Additions during the year	351.97	463.41
Deletion during the year	232.10	-
At fair value as at the end of the year	**3,218.20**	**3,098.33**
Accumulated depreciation as at the beginning of the year	1,688.76	1,195.45
Depreciation for the year	475.70	548.97
On deletions	(0.24)	55.66
Accumulated depreciation as at the end of the year	**2,164.70**	**1,688.76**
Net carrying amount as at the end of the year	**1,053.50**	**1,409.57**

12C Capital work in progress **(₹ in Lakhs)**

Particulars	As at March 31, 2026				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 year	Total
Capital work in progress - Building	-	-	-	96.60	96.60
Total	**-**	**-**	**-**	**96.60**	**96.60**

Particulars	As at March 31, 2025				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 year	Total
Capital work in progress - Building	-	-	-	96.60	96.60
Total	**-**	**-**	**-**	**96.60**	**96.60**

12D Depreciation, amortisation and impairment **(₹ in Lakhs)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property plant and equipment	1,552.09	1,408.10
Amortization on intangible assets	89.62	74.32
Depreciation on investment property	7.25	7.70
Total	**1,648.96**	**1,490.12**

13 Other non financial assets (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	381.69	257.59
GST input and receivables (net of liabilities)	1,772.56	776.46
Receivable from ex-employee	295.14	295.14
Less: provision on staff advances	(295.14)	(295.14)
Others	14.29	-
Total	**2,168.54**	**1,034.05**

14 Payables (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
Total outstanding dues of other than micro enterprises and small enterprises	-	-
Total	**-**	**-**
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises (MSME)	61.29	-
Total outstanding dues of other than micro enterprises and small enterprises	1,599.99	898.58
Total	**1,661.28**	**898.58**

As at March 31, 2026 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 year	
(i) MSME	61.29	-	-	-	61.29
(ii) Others	1,599.99	-	-	-	1,599.99
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-
TOTAL	**1,661.28**	**-**	**-**	**-**	**1,661.28**

* There are no unbilled dues as at March 31, 2026

As at March 31, 2025 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	898.58	-	-	-	898.58
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-
TOTAL	**898.58**	**-**	**-**	**-**	**898.58**

* There are no unbilled dues as at March 31, 2025

Disclosure with regards to Micro and Small enterprises

Disclosure of sundry payables under financial liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. The dues pertaining to MSME outstanding as on 31 March 2026 is ₹ 61.29 Lakhs (March 31, 2025: Nil) which have been paid subsequently within due dates. Relevant disclosures as required under the Act are as follows:

(₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
a) (i) Principal amount due to suppliers under the MSMED Act, 2006, as at the year end	61.29	-
(ii) Interest on (i) above	-	-
b) (i) Amount of Principal paid beyond the Appointed Date	-	-
(ii) Amount of interest paid beyond the Appointed Date (as per Section 16 of the said Act)	-	-
c) Amount of Interest due and payable for the period of delay in making payment, but with out adding the interest specified under Section 16 of the said Act	-	-
d) Amount of Interest accrued and due	-	-
e) Amount of further interest remaining due and payable even in succeeding years	-	-

15 Debt securities (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
A. At amortised cost		
Debentures		
1,18,650 (June 2021) 11.25% Senior, Unsecured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures denominated in rupees due for maturity in June 2025 issued on a private placement basis.	-	1,977.60
3,000 (August 2024) 10.48% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in May 2029 issued on a private placement basis.	3,000.00	3,000.00
3,000 (August 2024) 10.48% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in May 2029 issued on a private placement basis.	3,000.00	3,000.00
2,092 (October 2024) 10.45% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in October 2028 issued on a private placement basis.	2,092.00	2,092.00
2,092 (October 2024) 10.45% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in October 2028 issued on a private placement basis.	2,092.00	2,092.00
3,870 (August 2025) 10.00% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in August 2029 issued on a private placement basis.	3,870.00	-
3,870 (August 2025) 10.00% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-convertible debenture denominated in rupees due for maturity in August 2029 issued on a private placement basis.	3,870.00	-
2,400 (September 2023) 10.45% Senior, Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures due for maturity in October 2026 issued on a private placement basis.	873.38	2,100.00
2,500 (August 2023) 10.67% Senior, Secured, Rated, Unlisted, Redeemable, Transferable Non-Convertible Debentures due for maturity in August 2026 issued on a private placement basis.	416.67	1,250.00
2,500 (September 2023) 10.48% Senior, Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures due for maturity in September 2026 issued on a private place-ment basis.	416.67	1,250.00
4,500 (July 2023) 9.00% Senior, Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures due for maturity in July 2026 issued on a private placement basis.	750.00	2,250.00
12.34% (December 2023) Senior, Unsecured External Commercial Borrowing due for maturity in November 2028 issued on a private placement basis.	2,737.73	2,308.11
12.38% (January 2024) Senior, Unsecured External Commercial Borrowing due for maturity in January 2029 issued on a private placement basis.	5,464.34	4,616.23
10.05% (January 2025) Senior, Secured External Commercial Borrowing due for maturity in January 2031 issued on a private placement basis.	9,477.40	8,558.14

Bonds		
6,210 (June 2023) 11.40% Senior, Secured, Unrated, Unlisted, Redeemable, Rupee Denominated Bonds due for maturity in June 2029 issued on private placement basis.	5,433.75	6,210.00
Interest accrued and impact of EIR		
Impact of EIR	(224.09)	(264.46)
Interest Accrued but not due	922.15	857.88
Total	**44,192.00**	**41,297.51**
B. Out of the above		
- Secured under hypothecation of loans receivables	35,989.92	32,395.57
- Unsecured	8,202.08	8,901.94
Total	**44,192.00**	**41,297.51**
C. Out of the above		
- In India	21,078.78	19,605.03
- Outside India	23,113.22	21,692.48
Total	**44,192.00**	**41,297.51**

Terms of repayment of non-convertible debentures (NCDs) and bonds as at March 31, 2026 **(₹ in Lakhs)**

Particulars	due within 1 year	due 1 to 2 years	due 2 to 3 years	More than 3 year	Total
On Maturity					
Issued at par and redeemable at par					
Upto 1 year	-	-	-	-	-
1 - 2 years	-	-	-	-	-
2 - 3 years	1,583.33	-	-	-	1,583.33
3 - 4 years	873.38	-	4,183.58	7,740.42	12,797.38
More than 4 years	5,525.43	7,525.23	7,525.23	8,537.32	29,113.23
Interest accrued and impact of EIR					698.06
Total	**7,982.16**	**7,525.23**	**11,708.81**	**16,277.74**	**44,192.00**

– Interest rate ranges from 9% p.a to 12.38% p.a as at March 31, 2026

Terms of repayment of non-convertible debentures (NCDs) and bonds as at March 31, 2025 **(₹ in Lakhs)**

Particulars	due within 1 year	due 1 to 2 years	due 2 to 3 years	More than 3 year	Total
On Maturity					
Issued at par and redeemable at par					
Upto 1 year	-	-	-	-	-
1 - 2 years	-	-	-	-	-
2 - 3 years	3,166.67	1,583.33	-	-	4,750.00
3 - 4 years	3,177.40	900.00	0.20	4,184.00	8,261.60
More than 4 years	776.25	5,525.43	7,525.23	13,865.57	27,692.48
Interest accrued and impact of EIR					593.43
Total	**7,120.32**	**8,008.76**	**7,525.43**	**18,049.57**	**41,297.51**

– Interest rate ranges from 9% p.a to 12.38% p.a as at March 31, 2025

16 Borrowings (other than debt securities) **(₹ in Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
(A) At amortised cost		
Indian rupee loan from banks	1,88,982.60	1,65,842.04
Indian rupee loan from financial institutions	44,195.33	27,988.39
Sub-total (A)	**2,33,177.93**	**1,93,830.43**
(B) At fair value through profit & loss		
Compulsory Convertible Preference Shares (CCPS)*	-	19,909.34
Sub-total (B)	**-**	**19,909.34**
(C) Loans repayable on demand		
Cash credit from banks	9,379.60	8,491.30
Working capital demand loan	-	-
Sub-total (C)	**9,379.60**	**8,491.30**
Total (A+B+C)	**2,42,557.53**	**2,22,231.08**
(D) Out of the above		
- Within India	2,42,557.53	2,22,231.08
- Outside India	-	-
Total (D)	**2,42,557.53**	**2,22,231.08**
(E) Out of the above		
- Secured (Against hypothecation of equipments, plant and machinery, book debts and equitable /registered mortgage of immovable property etc.)	2,42,557.53	2,21,841.94
- Unsecured	-	389.14
Total (E)	**2,42,557.53**	**2,22,231.08**

* CCPS issued by the Company to Wanaka Inclusions has been reclassified as “Instrument entirely equity in nature” from “Borrowings (other than debt securities)” upon the fixation of conversion ratio as per IND AS 32.

-The Company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the subsidiary books of accounts.

The company has used the borrowings from banks and financials institutions for the specific purpose for which they were taken during the financial year.

Quarter	Stock Statement	Portfolio	Difference
Q1	2,99,924.94	2,99,924.94	-
Q2	3,13,326.81	3,13,326.81	-
Q3	3,17,034.26	3,17,034.26	-
Q4	3,28,430.48	3,28,430.48	-
Total	**12,58,716.49**	**12,58,716.49**	**-**

Terms of repayment of term loans from banks & financial institution and working capital demand loans as at March 31, 2026 **(₹ in Lakhs)**

Original maturity of loan	due within 1 year		due 1 to 2 years		due 2 to 3 years		due more than 3 years		Total
	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	
Monthly									
upto 1 year	-	-	-	-	-	-	-	-	-
1 - 2 year	-	-	-	-	-	-	-	-	-
2 - 3 year	213	11,821.45	132	7,593.91	96	4,368.49	-	-	23,783.85
3 - 4 years	247	13,518.10	204	10,099.70	178	9,149.27	91	4,734.60	37,501.68
More than 4 years	282	23,119.13	218	17,725.34	142	11,708.53	83	8,299.98	60,852.98
Quarterly									
upto 1 year	-	-	-	-	-	-	-	-	-
1 - 2 year	-	-	-	-	-	-	-	-	-
2 - 3 year	42	17,414.15	30	11,909.10	7	2,018.16	-	-	31,341.40
3 - 4 years	46	7,496.25	39	7,044.60	34	6,499.95	25	5,062.36	26,103.16
More than 4 years	83	16,479.95	73	13,981.96	64	12,509.32	61	11,142.39	54,113.61
On Maturity									
upto 1 year	-	-	-	-	-	-	-	-	-
Interest accrued and impact of EIR									(518.74)
Total	**913**	**89,849.02**	**696**	**68,354.61**	**521**	**46,253.71**	**260**	**29,239.33**	**2,33,177.93**

– Interest rate ranges from 7.85% p.a. to 10.70% p.a. as at March 31, 2026

Terms of repayment of term loans from banks & financial institution and working capital demand loans as at March 31, 2025 **(₹ in Lakhs)**

Original maturity of loan	due within 1 year		due 1 to 2 years		due 2 to 3 years		due more than 3 years		Total
	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	
Monthly									
upto 1 year	-	-	-	-	-	-	-	-	-
1 - 2 year									-
2 - 3 year	186	12,816.39	114	6,779.28	32	2,062.64	-	-	21,658.31
3 - 4 years	158	8,715.56	79	4,931.42	36	1,413.76	18	745.81	15,806.55
More than 4 years	320	23,971.78	261	20,995.00	196	15,648.48	168	14,422.07	75,037.33
Quarterly									
upto 1 year									
1 - 2 year									
2 - 3 year	42	16,064.71	25	11,820.64	14	6,029.18	-	-	33,914.53
3 - 4 years	2	1,303.57	12	1,303.57	7	794.56	2	249.05	3,650.75
More than 4 years	61	11,806.09	58	11,266.25	49	8,777.03	63	10,696.29	42,545.66
On Maturity									
upto 1 year	1	2,500.00	-	-	-	-	-	-	2,500.00
Interest accrued and impact of EIR									(1,282.70)
Total	**770**	**77,178.10**	**549**	**57,096.16**	**334**	**34,725.65**	**251**	**26,113.22**	**1,93,830.43**

– Interest rate ranges from 8.15% p.a. to 10.05% p.a. as at March 31, 2025

Terms of repayment of loans repayable on demand

Original maturity of loan	As at 31 March 2026		As at 31 March 2025	
	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs
On maturity				
upto 1 year	4	9,379.60	4	8,491.30
Total	**4**	**9,379.60**	**4**	**8,491.30**

17 Sub ordinated liabilities **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
A. At amortised cost		
From Non-banking Financial Companies		
3,000 (December 2022) 12.55% Rated, Unlisted, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in June 2028	3,000.00	3,000.00
5,000 (December 2023) 13.00% Rated, Listed, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in June 2029	5,000.00	5,000.00
2,000 (March 2024) 12.90% Rated, Listed, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in September 2029	2,000.00	2,000.00
10,000 (January 2026) 11.25% Rated, Listed, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in July 2031	10,000.00	-
Interest accrued and impact of EIR		
Impact of EIR	(616.84)	(448.58)
Total (A)	**19,383.16**	**9,551.42**
B. Out of the above		
- Within India	19,383.16	9,551.42
- Outside India		
Total (B)	**19,383.16**	**9,551.42**
C. Out of the above		
- Secured (Against hypothecation of equipments, plant and machinery, book debts and equitable / registered mortgage of immovable property etc.)		
- Unsecured	19,383.16	9,551.42
Total (C)	**19,383.16**	**9,551.42**

Terms of repayment as at March 31, 2026 (₹ in Lakhs)

Original maturity of sub-ordinated liabilities	due within 1 year	due 1 to 2 years	due 2 to 3 years	More than 3 year	Total
On maturity					
Issued at par and redeemable at par More than 5 years	-	-	3,000.00	17,000.00	20,000.00
Interest accrued and impact of EIR					(616.84)
Total	**-**	**-**	**3,000.00**	**17,000.00**	**19,383.16**

– Interest rate 11.25% p.a to 13.00% p.a. as at March 31, 2026

Terms of repayment as at March 31, 2025 (₹ in Lakhs)

Original maturity of sub-ordinated liabilities	due within 1 year	due 1 to 2 years	due 2 to 3 years	More than 3 year	Total
On maturity					
Issued at par and redeemable at par More than 5 years	-	-	-	10,000.00	10,000.00
Interest accrued and impact of EIR					(448.58)
Total	**-**	**-**	**-**	**10,000.00**	**9,551.42**

– Interest rate 12.55% p.a to 13.00% p.a. as at March 31, 2025

18 Other financial liabilities (₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Cash collateral #	31,408.87	27,318.75
Unrecognised fair value gain (liability)	737.89	1,171.63
Security deposit on leased assets	2,089.79	1,066.06
Employee benefits payables	54.04	317.03
Unpaid dividend*	2.57	2.68
Payable towards securitisation transactions	2,934.54	3,666.40
Payable to customers / borrowers	8,170.66	5,570.91
Other financial liabilities	349.76	170.03
Total	**45,748.12**	**39,283.49**

Held in trust against off-books/ direct assignment transactions (Section 20 of Indian Trust Act, 1882 is not applicable)

*The unclaimed dividend amounting to ₹ 0.63 Lacs and ₹ 0.69 Lacs pertaining to FY 2017-18 and FY 2018-19 is yet to be transferred to Investor Education and Protection Fund due to technical issue at MCA portal

19 Current tax liabilities (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Provision for taxation (net of advance tax & TDS receivable)	124.41	199.47

20 Provisions (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Provision for employee benefits		
- Provision for gratuity (refer note 43)	495.75	174.57
- Provision for leave encashment and compensated absences (refer note 43)	346.62	256.46
Provision on undrawn loan comittements	46.59	46.26
Total	**888.96**	**477.29**

21 Other non financial liabilities (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Statutory dues payble	336.03	381.30
Payable to insurance company	49.34	49.33
Total	**385.37**	**430.63**

22 Share capital (₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Share Capital (In Numbers):		
Authorized:		
3,65,00,000 (previous year: 3,65,00,000) equity shares of ₹ 10 each	3,650.00	3,650.00
1,80,00,000 (previous year : 1,80,00,000) CCPS of ₹ 20 each	3,600.00	3,600.00
Issued, subscribed and fully paid-up:	**7,250.00**	**7,250.00**
2,54,21,619 (previous year : 2,50,40,121) equity shares of ₹ 10 each	2,542.16	2,504.01
90,81,321 (previous year : 84,91,029) CCPS of ₹ 20 each*	1,816.27	1,698.21
Total	**4,358.43**	**4,202.22**

Reconciliation of the preference shares outstanding at the beginning and at the end of the year

(₹ in Lakhs except per share data)

Particulars	March 31, 2026		March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	84,91,029	1,698.21	63,26,839	1,265.37
Reclassified from financial liabilities to share capital during the year	-	-	-	-
Issued during the year	5,90,292	118.06	21,64,190	432.84
Shares outstanding at the end of the year	**90,81,321**	**1,816.27**	**84,91,029**	**1,698.21**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

(₹ in Lakhs except per share data)

Particulars	March 31, 2026		March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,50,40,121	2,504.01	2,25,34,645	2,253.46
Issued during the year	3,81,498	38.15	25,05,476	250.55
Shares outstanding at the end of the year	**2,54,21,619**	**2,542.16**	**2,50,40,121**	**2,504.01**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares, having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the Board of Directors, subject to the necessary approval from the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms / rights attached to CCPS

The Company has one class of CCPS having a par value of Rs. 20 per share. Each CCPS shall be a non-cumulative compulsorily convertible preference share. Each CCPS shall, at all times, rank pari-passu in all respects and without any preference or priority among themselves. Each CCPS shall carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital, subject to the articles of association of the Company. Each CCPS shall be entitled to a preferential dividend on a non-cumulative basis at the rate of 0.001% per annum from the Company in accordance with the applicable laws.

d. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

No bonus shares have been issued during the period of five years immediately preceding the reporting date.

e. Shareholders holding more than 5% equity shares in the Company

Particulars	March 31, 2026		March 31, 2025		Change %
	No. of Shares	% holding	No. of Shares	% holding	
Equity shares of Rs.10 each					
Electronica Industries Limited	1,05,17,125	41.37%	1,05,17,125	42.00%	0.00%
Mugdha Investment & Finance Private Limited	95,47,120	37.56%	95,47,120	38.13%	0.00%
Aavishkaar India Fund VI	28,85,588	11.35%	25,05,476	10.01%	15.17%
Preference shares of Rs.20 each					
ESF Holdings	63,26,839	42.23%	63,26,839	43.96%	0.00%
Wanaka Inclusion Limited*	86,56,760	57.77%	80,66,468	56.04%	7.32%

* CCPS issued by the Company to Wanaka Inclusions has been partly classified as "Instrument entirely equity in nature" and partly as "CCPS under Share Capital" as per IND AS 32.

f. Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2026 is as follows:

Promoter name	March 31, 2026		March 31, 2025		Change %
	No. of Shares	% holding	No. of Shares	% holding	
Smt. Manisha S Pophale	7,02,424	2.76%	7,02,424	2.81%	0.00%
Ms. Shilpa Pophale	7,88,000	3.10%	7,88,000	3.15%	0.00%
Mr. Sujit Natekar	38,833	0.15%	36,333	0.14%	6.88%
Mr. Harsh Natekar	2,500	0.01%	2,500	0.01%	0.00%
Sujit Natekar (HUF)	500	0.00%	500	0.00%	0.00%
M/s Electronica Industries Limited	1,05,17,125	41.37%	1,05,17,125	42.00%	0.00%
M/s Electronica Hi Tech Machine Tools Private Limited	1,00,000	0.39%	1,00,000	0.40%	0.00%
M/s Mugdha Investment & Finance Private Limited	95,47,120	37.56%	95,47,120	38.13%	0.00%

g. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 42.

23 Other equity (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
(I) Securities premium account		
Balance as per last financial statements	25,399.78	9,712.79
Add: additions/transfer during the year	2,573.81	15,686.99
Less: utilised during the year		
Closing balance	**27,973.59**	**25,399.78**
(II) Retained earnings		
Balance as per last financial statements	24,280.43	20,840.61
Profit for the year	5,193.88	4,739.06
Ind AS adjustments		
Less:		
Dividend on CCPS	(0.03)	(0.01)
Retirement benefit - Actuarial gains / (Loss)	(100.09)	(3.56)
Tax impact on above	25.19	0.90
Cash flow hedge	436.71	(466.05)
Tax impact on above	(109.92)	117.29
Adjustment	-	-
Transfer to Statutory Reserve (20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	(1,038.78)	(947.81)
Compulsorily Convertible Preference Shares		
Dividend and related distribution tax	-	-
Closing balance	**28,687.39**	**24,280.43**
Other reserves		
(I) Statutory reserve as required by section 45-IC of Reserve Bank of India Act, 1934		
Balance as per last financial statements	7,254.53	6,306.72
Add: amount transferred from statement of profit and loss	1,038.78	947.81
Closing balance	**8,293.31**	**7,254.53**
(II) General reserve		
Balance as per last financial statements	2,230.24	2,230.24
Add : Transferred from Revaluation Reserve	-	-
Closing balance	**2,230.24**	**2,230.24**
(III) Capital reserves		
Balance as at the beginning of the year	6.76	6.76
Balance as at the end of the year	**6.76**	**6.76**
(IV) Capital redemption reserve		
Balance as at the beginning of the year	4.89	4.89
Balance as at the end of the year	**4.89**	**4.89**
(V) Employee stock option outstanding		
Balance as per last financial statements	311.50	217.53
Add: compensation of options granted during the year	4.78	93.97
Closing balance	**316.28**	**311.50**
Total	**67,512.46**	**59,488.13**

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

The Company recognises change on account of cash flow hedge reserve as part of retained earnings with separate disclosure, which comprises of:

- cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges

(iii) Statutory Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Statutory Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.

(iv) General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

(v) Capital reserve

Capital reserve represents profit recognised in erstwhile years on reissue of forfeited shares.

(vi) Employee stock option outstanding account

Employee stock option outstanding account has been created as required by Ind AS 102 ‘Share Based Payments’ on the Employee Stock Option Scheme operated by the Company for its employees.

24 Interest income (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Interest on loans		
Interest income on portfolio loans	49,181.30	45,442.88
Total	**49,181.30**	**45,442.88**

25 Fees and commission income (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Other operating revenue		
Prepayment charges	620.40	470.78
Fees and commission income	1,297.73	1,160.27
Total	**1,918.13**	**1,631.05**

25A Lease income (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Lease income	2,224.58	1,272.56
Total	**2,224.58**	**1,272.56**

26 Net gain on sale of financial assets at amortised cost (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Net gain on sale of financial assets at amortised cost	6,593.39	5,039.23
Total	**6,593.39**	**5,039.23**

27 Sale of services (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Income from credit delivery arrangement	144.40	82.58
Total	**144.40**	**82.58**

28 Recoveries of financial assets written off (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Recoveries of financial assets written off	317.69	469.87
Total	**317.69**	**469.87**

29 Net gain on fair value changes (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Net gain on fair value changes	694.15	201.22
Total	**694.15**	**201.22**

30 Other income (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Interest on margin money deposits	281.86	304.63
Infrastructure charges received	276.70	438.51
Dividend	0.02	0.03
Profit on sale of mutual funds	1,826.80	1,672.99
Profit on sale of Investments	545.18	-
Profit on sale of property, plant and equipments	19.26	-
Profit on sale of portfolio	269.74	-
Other non-operating income	272.86	423.45
Credit balances written back	305.59	1,763.18
Total	**3,798.01**	**4,602.79**

31 Finance cost (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Interest		
on term loans from banks	21,347.18	17,129.27
on non convertible debentures (including subordinated debts)	6,321.65	4,953.53
on cash credit from banks	40.24	85.23
on working capital demand loan	-	57.54
on lease liability (Note 41)	124.50	159.69
on others	2.52	8.30
Bank charges	39.81	36.47
Processing fees	64.31	186.33
Other finance costs	152.56	169.25
Total	**28,092.77**	**22,785.61**

32 Customer loyalty bonus (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Customer loyalty bonus	2,762.64	2,298.78
Total	**2,762.64**	**2,298.78**

33 Impairment on financial instruments (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Impairment on loans	3,965.57	1,997.21
Loans written off	1,779.14	2,410.31
Total	**5,744.71**	**4,407.52**

34 Employee benefit expenses (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Salaries and incentives	13,189.38	13,626.39
Contribution to provident and other funds	548.80	627.66
Staff welfare expenses	134.92	150.44
Share based payment to employees (refer note 42)	4.78	93.98
Directors' remuneration	230.88	166.04
Total	**14,108.76**	**14,664.51**

35 Other expenses (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Rent, rates and taxes	84.08	60.63
Electricity expenses	145.51	189.07
Insurance	222.89	170.23
Payment to the auditors (refer note 35A)	39.31	33.29
Legal and professional fees	1,302.29	1,125.06
GST expenses	542.72	482.68
Telephone expenses	95.51	124.11
CSR expenditure (refer note 48)	128.92	92.52
Donation	-	5.00
Business promotion expenses	386.03	495.49
Conference expenses	151.25	87.22
Travelling / conveyance expenses	984.40	1,147.47
Directors' sitting fees	26.50	21.50
IT expenses	420.95	560.06
Training and recruitment	190.18	324.36
Other balances written off	99.04	1,155.80
Provision on ex-staff advance	-	(3.00)
Repair and Maintenance		
-Building	0.84	8.54
-Furniture & fixtures	6.61	3.83
-Electricals equipments	8.78	21.99
-Vehicles	1.85	1.27
-Others	37.99	41.29
Postage, printing and stationary	76.46	123.16
Office expenses	160.72	201.23
Loss on sale of property, plant and equipments	-	4.50
Impairment loss on investment property (Refer Note 11)	(31.30)	12.76
Miscellaneous expenses	548.01	375.38
Total	**5,629.54**	**6,865.44**

35A Payment to auditors (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Payment to auditors :		
Audit fees	22.00	20.00
Limited review fees	10.50	12.00
Certification fees	5.55	0.81
Reimbursement of expenses	1.26	0.48
Total	**39.31**	**33.29**

36 Contingent Liabilities and commitment

a. Contingent liabilities not provided for in respect of (₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Guarantees excluding financial guarantees		
Corporate guarantee against credit delivery arrangements	636.05	668.49
Other amounts for which the Company is contingently liable		
Goods & Service Tax #	66.42	72.79
Income tax	-	38.97
Providend Fund*	161.55	-

#Net of pre-deposit of ₹7.83 Lakhs for the year ended March 31, 2026 (Previous year: Nil)
*The above contingent liability relating to Provident Fund excludes interest, since the likelihood of interest outflow is remote.

b. Capital and other commitments **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
Other commitments – towards partially disbursed/un-encashed loans*	10,243.12	7,970.24

*The amount includes LC limits which can be used for loan disbursement.

37 Earnings per Share (Basic and Diluted):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable (i.e. after adjusting for interest on the convertible preference shares, net of tax) to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into ordinary equity shares of the Company.

The following reflects the income & share data used in the basic & diluted EPS computations: **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
Net Profit after tax attributable to equity shareholders (A)	5,193.88	4,739.06
Net Profit after tax including finance cost in respect of CCPS (B)	5,193.88	4,739.06
Weighted average number of equity shares in calculating Basic EPS (C)	2,52,35,573	2,46,01,000
Add: Effect of dilution:		
Stock options granted under ESOP in nos.	2,22,116	1,69,000
Compulsory Convertible Preference shares in nos.	1,46,68,238	1,29,78,913
Weighted average number of equity shares in calculating Diluted EPS (D) in nos.	4,01,25,927	3,77,48,913
Basic EPS (A/C)	**20.58**	**19.26**
Diluted EPS (B/D)	**12.94**	**12.55**
Nominal Value of Shares	**10.00**	**10.00**

38. Segment information

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of IndAS 108 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) (i.e. MD & CEO) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment of providing financial services to customers in India. The entire revenues are billable within India and there is only one geographical segment.

39 Revenue from contract with customers (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Type of services		
Sale of services	144.40	82.58
Fees and commission income	1,918.13	1,631.05
Infrastructure charges received	276.70	438.51
Total	**2,339.23**	**2,152.14**
Geographical markets		
India	2,339.23	2,152.14
Outside India	-	-
Total	**2,339.23**	**2,152.14**
Timing of revenue recognition		
Services transferred at a point in time	2,339.23	2,152.14
Services transferred over time	-	-
Total	**2,339.23**	**2,152.14**

Contract balances

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Receivable from customers* (Note 6)	242.98	305.83

*Accounts receivable are recognised when the right to consideration becomes unconditional.

40 Disclosure of transactions with related parties as required by Ind AS 24
List of the Related Party and Nature of the Related Party Relationship as identified by the key management persons are classified as under:

Name of the Related Party	Nature of Relationship
Mugdha Investment & Finance Private Limited	Holding Company
Electronica Industries Limited Electronica Tungsten Limited Kashedikar Enterprises Private limited	Fellow Subsidiary
Shilpa S. Pophale - Managing Director & CEO Sujit S. Natekar - Director (Non Executive) Vipin Maheshwari - CFO Vallabh Ghate (CS upto February 13, 2026) Shraddha Lukkad (CS w.e.f. February 14, 2026)	Director & Key Management Personnel (KMP)
Mohan Tanksale (upto August 23, 2025) Smita Sandhane Sandhya Vasudevan Uday Chitale (w.e.f. August 13, 2025) Uma Mandavgane (w.e.f. August 13, 2025)	Independent Director
Ameya Gurunath Bijoor – Nominee Director Anurag Mahendra Agrawal – Non Executive Director Stewart Michael Langdon – Non Executive Director	Other Non - Executive & Nominee Director
Manisha S. Pophale Priya A. Dharmadhikari Harsh S. Natekar Mugdha R. Kaskhediker	Close member of KMP
Electronica Hi-Tech Engineering Private Limited Electronica Hi-Tech Machine Tools Private Limited Sujit Sharad Natekar (HUF)	Enterprises over which KMP & their close members exercise significant influence

Transactions with Related Party and amounts outstanding as under: * (₹ in Lakhs)

Nature of transaction/ Relationship/ Name of related parties	March 31, 2026	March 31, 2025
Key Managerial Personnel		
1. Key Managerial Remuneration **		
Short Term employee benefits	371.77	280.07
2. Shilpa Shrikant Pophale		
Loan accepted	-	42.00
Loan repaid	-	143.12
Interest paid on loan	-	9.28
Balance outstanding	-	-
3. Sujit S. Natekar		
Loan accepted	-	-
Loan repaid	-	16.21
Interest paid on Loan	-	0.86
Balance outstanding		
Independent Director		
1. Mr. Mohan Tanksale		
Sitting Fees	1.75	7.00
2. Mrs. Smita Sandhane		
Sitting Fees	4.75	8.25
Director Commission	1.25	-
3. Mrs. Sandhya Vasudevan		
Sitting Fees	4.50	6.25
Director Commission	4.00	-
Reimbursement of expenses	0.85	2.29
4. Mr. Uday Chitale (w.e.f. August 13, 2025)		
Sitting Fees	1.50	-
Director Commission	4.50	-
Reimbursement of expenses	0.17	-
5. Mrs. Uma Mandavgane (w.e.f. August 13, 2025)		
Sitting Fees	1.75	-
Director Commission	2.50	-
Close member of Key Management Personnel		
1. Manisha Shrikant Pophale		
Loan accepted	-	-
Loan repaid	-	90.23
Interest paid on Loan	-	5.94
Balance outstanding	-	-
2. Harsh S Natekar		
Salary	5.70	0.38
Loan accepted	-	30.00
Loan repaid	-	243.83
Interest paid on Loan	-	15.00
Balance outstanding	-	-

(₹ in Lakhs)

Nature of transaction/ Relationship/ Name of related parties	March 31, 2026	March 31, 2025
Enterprises over which KMP & their close members exercise significant influence		
1. Electronica Hitech Machine Tools Private Limited.		
ICD accepted	-	385.00
ICD repaid	-	385.00
Interest credit on ICD	-	20.71
Interest paid on ICD	-	20.71
ICD payable	-	-
Investments	0.03	0.03
Reimbursement of Business Promotion Expenses	1.14	-
2. Electronica Hitech Engineering Private Limited #		
Loans Outstanding - Opening	17.61	25.26
Interest charged	2.58	3.75
Repayment	13.64	13.64
Ind AS Adjustment	(0.17)	2.24
Loans Outstanding - Closing	6.38	17.61
3. Sujit Sharad Natekar (HUF)		
Rent for Guest house	4.83	4.39
4. Mugdha Investment Finance Private Limited		
Resource Support Income	1.20	-
Outstanding Receivable	1.42	-

* Transaction values are excluding taxes and duties.
* Related parties as defined under clause 9 of the Ind AS 24 'Related party disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on an arms' length basis. All outstanding balances are to be settled and unsecured.
** Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
# The loan extended to Electronica Hitech Engineering Private Limited has been granted in accordance with agreed terms and stipulated repayment schedules and is not considered prejudicial to the interests of the Company.

41 Operating Leases

The Company has entered into commercial lease arrangements in respect of branch premises which are renewable on mutual consent at agreed terms. Certain lease agreements contain a clause for escalation of lease payments after every 12 months. The tenure of the non-cancellable operating lease agreements range from 6 months to 36 months. There are no sub-leases. Lease payments during the year are charged to the Statement of Profit and Loss.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1,409.57	1,439.47
Addition	351.97	463.41
Depreciation	(475.94)	(548.97)
Deletion/adjustment	(232.10)	55.66
Closing balance (Note 12B)	**1,053.50**	**1,409.57**

Lease Liability Movement (₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1,453.15	1,585.62
Addition during the year	340.13	303.07
Interest on lease liability (Refer note 31)	124.50	159.69
Deletion during the year	(76.03)	(6.57)
Lease rental payments	(610.19)	(617.05)
Adjustment	(84.17)	28.39
Closing balance	**1,147.39**	**1,453.15**

Future undiscounted lease cash outflow for all leased assets as at March 31, 2026 : **(₹ in Lakhs)**

Particulars	Not later than one year	Between one to five years	Later than five years
Lease cash outflow	542.60	778.01	1.17

Lease payments recognised in profit & loss (for agreements not considered in Ind AS 116) **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
Operating lease payments recognized in the statement of profit & loss	12.00	7.36

Amounts recognised in statement of profit or loss: **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets (Note 13B)	475.94	548.97
Interest expense on lease liabilities (Refer note 31)	124.50	159.69
Expense relating to short-term leases	12.00	7.36
Total amount recognised in profit or loss	**612.44**	**716.02**

42 Stock based payments

The Company has provided various share-based payment schemes to its Directors and Employees.

The Board of Directors of the Company at its meeting held on January 3, 2018, approved grant of stock options aggregating to 80,252 equity shares of the face value of Rs. 10 each in a manner provided in the Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on May 28, 2019, approved grant of stock options aggregating to 1,35,116 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder

The Nomination and Remuneration Committee of the Company at its meeting held on August 24, 2020 approved grant of stock options aggregating to 1,18,713 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on Nov 10, 2021, approved grant of stock options aggregating to 8,072 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on Aug 26, 2022, approved grant of stock options aggregating to 1,50,000 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Nomination and Remuneration Committee of the Company at its meeting held on Sep 13, 2023, approved grant of stock options aggregating to 1,14,000 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on August 13, 2025, amended 'Employee Stock Otion Plan 2017' ("ESOP 2017"/ "Plan") with a view to align the Plan with industry best practice and in line with Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder. Under the scheme, grant has been made as of March 31, 2026, details of which, are given as under:

Particulars	March 31, 2026							
Grant date	September 17, 2025	August 12, 2024	September 26, 2023	August 26, 2022	November 10, 2021	August 24, 2020	May 28, 2019	January 25, 2018
Exercise price (₹)	₹ 80 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 10 per option	₹ 10 per option
Outstanding at the beginning of the year	-	10,000	96,500	86,000	3,072	52,000	80,801	44,243
Options granted during the year	63,000	-	-	-	-	-	-	-
Options vested and exercisable at the end of the period	-	3,300	36,300	36,960	-	42,310	65,231	38,442
Options unvested at the end of the period	63,000	6,700	18,700	19,040	-	-	-	-
Options cancelled during the year	-	-	41,500	30,000	3,072	9,690	15,570	5,801
Options outstanding at the end of the year	**63,000**	**10,000**	**55,000**	**56,000**	**-**	**42,310**	**65,231**	**38,442**

Particulars	March 31, 2025						
Grant date	August 12, 2024	September 26, 2023	August 26, 2022	November 10, 2021	August 24, 2020	May 28, 2019	January 25, 2018
Exercise price (₹)	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 169.38 per option	₹ 10 per option	₹ 10 per option
Outstanding at the beginning of the year	10,000	99,500	95,000	3,072	52,000	83,075	44,243
Options granted during the year	-	-	-	-	-	-	-
Options vested and exercisable at the end of the year	-	-	28,380	2,028	52,000	80,801	44,243
Options unvested at the end of the year	10,000	96,500	57,620	1,044	-	-	-
Options cancelled during the year	-	3,000	9,000	-	-	2,274	-
Options outstanding at the end of the year	**10,000**	**96,500**	**86,000**	**3,072**	**52,000**	**80,801**	**44,243**

Grant date	Exercise price (₹ / option)	Options granted	Options vested and exercisable	Options unvested	Options cancelled	Options outstanding
January 25, 2018	₹ 10	80,252	38,442	-	41,810	38,442
May 28, 2019	₹ 10	1,35,116	65,231	-	69,885	65,231
August 24, 2020	₹ 169.38	1,18,713	42,310	-	76,403	42,310
November 10, 2021	₹ 169.38	8,072	-	-	8,072	-
August 26, 2022	₹ 169.38	1,50,000	36,960	19,040	94,000	56,000
September 26, 2023	₹ 169.38	1,14,000	36,300	18,700	59,000	55,000
August 12, 2024	₹ 169.38	10,000	3,300	6,700	-	10,000
September 17, 2025	₹ 80	63,000	-	63,000	-	63,000

Weighted average fair value of stock options granted during the year is as follows:

Particulars	March 31, 2026	March 31, 2025
Grant date	September17, 2025	August 12, 2024
Number of options granted	63,000	10,000
Weighted average fair value per share	274.81	186.15

Following table depicts range of exercise prices and weighted average remaining contractual life :

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	3,72,616	₹ 10 & ₹ 169.38	115.89	1.39
Granted during the year	63,000	₹ 80	80.00	1.48
Cancelled during the year	1,05,633	₹ 10 & ₹ 169.38	137.14	-
Expired during the year	-	-	-	-
Exercised during the year *	-	-	-	-
Outstanding at the end of the year	3,29,983	₹ 10, ₹ 80 & Rs.169.38	102.24	0.39
Unvested at the end of the year	1,07,440	₹ 10, ₹ 80 & ₹ 169.38	116.97	1.19
Exercisable at the end of the year	2,22,543	₹ 10 & ₹ 169.38	95.13	-

* The weighted average exercise price has not been computed as there are no stock options exercised during the period.

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are :

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (₹)
January 25, 2018	7.43%	4 Years	10.91%	1.09%	58.97
May 28, 2019	7.03%	4 Years	15.33%	1.09%	77.09
August 24, 2020	5.29%	4 Years	24.49%	0.27%	198.46
November 10, 2021	6.22%	4 Years	21.17%	0.72%	170.19
August 26, 2022	7.22%	4 Years	21.26%	0.60%	191.23
September 26, 2023	7.15%	4 Years	12.29%	0.40%	346.55
August 12, 2024	6.57%	4 Years	13.42%	0.40%	346.14
September 17, 2025	6.47%	3 Years	14.80%	0.40%	346.14

- Volatility used in the "Black-Scholes model" is the annual standard deviation of the continuously compounded rate of the return of the stock over a period of the time. The equity shares of the company is not listed so the volatality of the listed peers has been considered.

Shares reserved for issue under Employee Stock Option Plan

Particulars	No. of Stock options/Equity shares
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2017 to employees of the Company drawn in accordance with Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other Rules framed thereunder:	7,15,621
b. Options granted under the scheme up to March 31, 2026	6,79,153
c. Options cancelled up to March 31, 2026 and added back to pool for future grants	3,49,170
d. Net ESOP Granted	3,29,983
e. Balance available under the scheme for future grants (e=a-b+c)	3,85,638

43 Employee Benefits (Ind AS 19) :

Defined benefits plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

If the plan is funded then in case the actual return on the plan assets drops in the future period it may result in increase in the liability. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cash-flow for plan liabilities.

Movement in defined benefit obligations : **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Defined benefit obligation as at the opening of the year	437.70	400.12
Current service cost	15.34	13.37
Interest on defined benefit obligation	17.00	21.88
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	1.32	(10.34)
Actuarial loss/(gain) arising from change in demographic assumptions	7.83	(17.90)
Actuarial loss/(gain) arising on account of experience changes	75.14	24.81
Benefits paid by employer	(56.16)	(29.24)
Benefits paid by fund	-	-
Past service cost	261.94	35.00
Liabilities assumed/(settled)	-	-
Defined benefit obligation as at the end of the year	**760.11**	**437.70**

Movement in plan assets : **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Fair value of the asset as at the beginning of the year	263.13	241.70
Employers contributions	-	-
Interest on plan assets	17.03	17.04
Actuarial loss/(gain)	(15.80)	4.39
Remeasurements due to:		
Actual return on plan assets less interest on plan asset	-	-
Benefits paid	-	-
Assets acquired/(settled)	-	-
Fair value of plan asset as at the end of the year	**264.36**	**263.13**

Reconciliation of net liability/asset : (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Net defined benefit liability/(asset) as at the beginning of the year	174.57	158.42
Expense charged to Statement of Profit and Loss	277.25	53.21
Amount recognised in other comprehensive income	100.09	(7.82)
Employer contributions/payments	(56.16)	(29.24)
Net defined benefit liability/(asset) as at the end of the year	**495.75**	**174.57**

Expenses charged to the statement of profit and loss : (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Current service cost	15.34	13.37
Interest cost	(0.03)	4.83
Past service cost	261.94	35.01
Total	**277.25**	**53.21**

Remeasurement (gains)/losses in other comprehensive income: (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Opening amount recognised in other comprehensive income	(1.50)	6.32
Changes in financial assumptions	1.32	(10.34)
Changes in demographic assumptions	7.83	(17.90)
Experience adjustments	75.14	24.81
Actual return on plan assets less interest on plan assets	15.80	(4.39)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	**98.59**	**(1.50)**

Amount recognised in balance sheet : (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Present value of Unfunded defined benefit obligation	760.11	437.70
Fair value of plan assets	(264.36)	(263.13)
Net funded obligation	495.75	174.57
Amount not recognised due to asset limit	-	-
Present value of Funded defined benefit obligation	-	-
Net defined benefit liability recognised in balance sheet	**495.75**	**174.57**

Actual Return on plan assets : (₹ in Lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Interest income on plan assets	17.03	17.04
Remeasurements on plan assets	(15.80)	4.39
	1.23	**21.43**

Key actuarial assumptions : **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Economic assumptions		
Discount rate (p.a.)	6.08%	6.47%
Salary escalation rate (p.a.)	8.00%	8.00%
Expected rate of returns on assets	6.08%	6.47%
Rate of future salary increase	8.00%	8.00%
Demographic assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover/withdrawal rate	80.00%	80.00%
Retirement age	58 years	55 years
Category of plan assets		
Insurer managed funds	100%	100%

The scheme has been partially funded through a Trust. The Trust has taken a policy from the Bajaj Allianz Life Insurance Co. Ltd.(BALICL) and the fund is under management of the (BALICL).

Discount Rate : Ind AS 19 requires that the assumed discount rate is determined by reference to market yields at the balance sheet date on Govt. bonds. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

Salary escalation rate : The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again, a long-term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

Sensitivity analysis for significant assumptions is as shown below: **(₹ in Lakhs)**

Particulars	As at					
	March 31, 2026			March 31, 2025		
	Discount rate	Salary escalation rate	Withdrawal rate	Discount rate	Salary escalation rate	Withdrawal rate
Impact of increase in 100 bps on defined benefit obligation	(5.23)	8.49	(1.59)	(2.79)	4.59	(0.51)
Impact of decrease in 100 bps on defined benefit obligation	5.35	(8.45)	1.62	2.85	(4.57)	0.53

Projected plan cash flow : **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Maturity Profile :		
Expected benefits for year 1	610.94	376.80
Expected benefits for year 2	137.35	79.54
Expected benefits for year 3	32.86	13.07
Expected benefits for year 4	7.93	3.28
Expected benefits for year 5	1.40	0.81
Expected benefits for year 6 and above	0.40	0.24

Expected contribution to fund in the next year: **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Expected contribution to fund in the next year	517.62	189.84

(B) Leave encashment and compensated absences **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Maturity Profile		
Present value of unfunded obligations	346.62	256.46
Expense recognised in the statement of profit and loss	194.97	27.60
Discount rate (p.a.)	6.08%	6.47%
Salary escalation rate (p.a)	8.00%	8.00%

Key actuarial assumptions : **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Economic assumptions		
Discount rate (p.a.)	6.08%	6.47%
Salary escalation rate (p.a.)	8.00%	8.00%
Expected Rate of Returns on Assets	N.A.	N.A.
Demographic assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover/withdrawal rate	80.00%	80.00%
Leave availment ratio	2.00%	2.00%
Retirement age	58 years	55 years

To estimate liabilities towards availment, an assumption towards leave availment is needed. It is assumed that 2% leaves out of opening balance will be availed during the year (in addition to accrual of leaves during the financial year).

C) Various Risk Exposures

Salary escalation rate

More than expected increase in the future salary levels may result in increase in the liability

Employee turnover rate/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the liability

Mortality / disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liability

Discount rate

In case the yield on the government bonds drops in the future period then it may result in increase in the liability

Investment risk

If the plan is funded then in case the actual return on the plan assets drops in the future period it may result in increase in the liability. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

44 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

45 Fair values

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. This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company will assess the fair values for assets qualifying for fair valuation.
The Company's valuation framework includes:
1. Benchmarking prices against observable market prices or other independent sources;
2. Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:
Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note no. 46) using quoted market prices of the underlying instruments;
The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, term loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

46 Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2026 : (₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets classified in Fair Value through Proft or Loss (FVTPL)					
Investments	15,336.47	12,032.55	-	3,303.92	15,336.47
Financial asset classified in Fair Value through Other Comprehensive Income (FVTOCI)					
Derivative financial instrument	2,335.54	2,335.54	-		2,335.54

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2025 : (₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets classified in Fair Value through Proft or Loss (FVTPL)					
Investments	7.86	7.21	-	0.65	7.86
Financial asset classified in Fair Value through Other Comprehensive Income (FVTOCI)					
Derivative financial instrument	355.56	355.56	-	-	355.56

The following table presents the changes in level 3 financial assets for the periods :

(₹ in Lakhs)

Particulars	for the year ended March 31, 2026	for the year ended March 31, 2025
Opening balance	0.65	0.56
Acquisitions during the year	3,303.27	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	0.09
Gains / (losses) recognised in other comprehensive income	-	-
Closing balance	**3,303.92**	**0.65**

Fair value of financial instruments measured at amortised cost as at March 31, 2026:

(₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Cash and cash equivalents	32,267.92	-	-	-	32,267.92
Bank balances other than cash and cash equivalents	528.08	-	-	-	528.08
Other receivables	242.98	-	-	242.98	242.98
Loans	3,68,860.54	-	-	3,68,860.54	3,68,860.54
Other financial assets	3,895.57	-	-	3,895.57	3,895.57
Financial Liabilities					
Other payables	1,599.99	-	-	1,599.99	1,599.99
Debt securities	44,192.00	-	-	44,192.00	44,192.00
Borrowings (Other than debt securities)	2,42,557.53	-	-	2,42,557.53	2,42,557.53
Sub ordinated liabilities	19,383.16	-	-	19,383.16	19,383.16
Lease Liability	1,147.39	-	-	1,147.39	1,147.39
Other financial liabilities	45,748.12	-	-	45,748.12	45,748.12

Fair value of financial instruments measured at amortised cost as at March 31, 2025 : (₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Cash and cash equivalents	43,617.04	-	-	-	43,617.04
Bank balances other than cash and cash equivalents	1,105.98	-	-	-	1,105.98
Other receivables	305.83	-	-	305.83	305.83
Loans	3,14,768.84	-	-	3,14,768.84	3,14,768.84
Other financial assets	4,143.60	-	-	4,143.60	4,143.60
Financial Liabilities					
Other payables	898.58	-	-	898.58	898.58
Debt securities	41,297.51	-	-	41,297.51	41,297.51
Borrowings (Other than debt securities)	2,22,231.08	-	-	2,22,231.08	2,22,231.08
Sub ordinated liabilities	9,551.42	-	-	9,551.42	9,551.42
Lease Liability	1,453.15	-	-	1,453.15	1,453.15
Other financial liabilities	39,283.49	-	-	39,283.49	39,283.49

Valuation technique used

- Assets measured at fair value on a recurring basis - Loans

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the Balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage 2) are discounted assuming they will be received in the third month. Fairvalue of cash flows for stage 3 loans are assumed as carrying value less provision for expected credit loss.

- For Investment in Equity Instruments

For Investments in equity instruments and liquid/debt mutual funds, the company has assessed the carrying value as an approximation of the fair value based on the closing Net Asset Value as published by NSE/AMFI.

- Financial liabilities measured at amortised cost - Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2026 and March 31, 2025.

47 Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment.

The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) through its Assets Liability Management Committee (ALCO).

(i) Regulatory capital **(₹ in Lakhs)**

Particulars	As at	
	March 31, 2026	March 31, 2025
Tier I capital	80,821.49	78,227.59
Tier II capital	17,726.65	8,793.12
Total	**98,548.14**	**87,020.71**
Risk weighted assets (RWA)	4,32,430.11	3,51,527.87
Tier I CRAR	18.69%	22.26%
Tier II CRAR	4.10%	2.50%

Note 1: CRAR as at March 31, 2026 & March 31, 2025 is on the basis of CRAR filed with RBI.

Note 2: During the current year the Compulsory Convertible Preference Shares (CCPS) issued by the Company to Wanaka Inclusions, a private equity investors, has been reclassified as equity under 'Instruments entirely equity in nature' as it meets the criteria specified in definition of financial liability under Ind AS 32. The same has been included as Tier-1 Capital for calculation of CRAR as per RBI guidelines.

48 Details of CSR expenses : **(₹ in Lakhs)**

Particulars	for the year ended	
	March 31, 2026	March 31, 2025
a) Gross amount required to be spent by the Company during the year	128.92	92.47
b) Amount spent during the year on purposes :		
-other than construction/acquisition of any asset	81.23	92.52
-construction/acquisition of any asset	-	-
c) Yet to be spent / (excess spent) (a-b) *	47.69	(0.05)

* The shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial year ended March 31, 2026 has been transferred to a new separate bank account and the same will be utilised for the ongoing project over next three financial years. There was no shortfall in the CSR amount required to be spent for the financial year ended March 31, 2025.

CSR activities include Preventive Healthcare, measures for reducing inequalities faced by socially and economically backward groupd, Training and Skill Development, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of The Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2026 and March 31, 2025.

49 Ratios :

Particulars	Numerator	Denominator	Ratio March 31, 2026	Ratio March 31, 2025	% of variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Risk Weighted Assets	22.79%	24.76%	-7.96%	-
Tier I CRAR	Net Owned Funds	Risk Weighted Assets	18.69%	22.26%	-16.04%	-
Tier II CRAR	Subordinated Debt + General Loan Loss Provision	Risk Weighted Assets	4.10%	2.50%	63.97%	Tier II capital raised in current year
Liquidity Coverage Ratio (LCR)		Total net cash oulflow	NA	NA	-	LCR not applicable to the company under extent RBI norms

50 Risk management objectives and policies

Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: * when long term assets cannot be funded at the expected term resulting in cashflow mismatches; * amidst volatile market conditions impacting sourcing of funds from banks.	Board appointed Asset Liability Management Committee (ALCO)	Liquidity and funding risk is: * measured by identifying gaps in the structural and dynamic liquidity statements. * monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking markets. - periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. - managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Management Committee (ALCO)	- Interest rate risk is: * measured using Value at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income. * monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. * managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company.	- Board appointed Risk Management Committee.	- Credit risk is : *measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. * monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks. * managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies. The same is periodically reviewed by the Board appointed Risk Management Committee.

Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk. Its robust liquidity management framework ensured that it had enough liquidity throughout FY 2026 to meet its debt service obligations and balance sheet growth. Indeed, there was no disruption despite the tight liquidity environment prevailing during the year.

The Company maintains a judicious mix of borrowings from banks and other financial institutions. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company maintain a healthy asset liability position and contain interest rate movements during the financial year 2025-26.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities and financial assets : **(₹ in Lakhs)**

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Debt securities	7,982.14	36,209.86	44,192.00	7,976.78	33,320.73	41,297.51
Borrowings (Other than debt securities)	99,697.77	1,42,859.76	2,42,557.53	84,696.14	1,37,534.94	2,22,231.08
Sub ordinated liabilities	-	19,383.16	19,383.16	-	9,551.42	9,551.42
Other payables	1,661.28	-	1,661.28	898.58	-	898.58
Lease Liability	573.70	573.70	1,147.39	-	1,453.15	1,453.15
Derivative financial instrument	-	-	-	-	355.56	355.56
Other financial liabilities	18,913.31	26,834.81	45,748.12	15,895.70	23,387.79	39,283.49
Financial Assets						
Loans	1,18,915.91	2,49,944.63	3,68,860.54	97,753.67	2,17,015.17	3,14,768.84
Cash and cash equivalents	32,267.92	(0.00)	32,267.92	43,617.04	-	43,617.04
Bank balances other than cash and cash equivalents	79.21	448.87	528.08	958.28	147.70	1,105.98
Investments	12,519.51	2,816.96	15,336.47	-	7.86	7.86
Other receivables	242.98	-	242.98	305.83	-	305.83
Other financial assets	1,983.45	1,912.12	3,895.57	187.03	3,956.57	4,143.60
Derivative financial instrument	653.89	1,681.65	2,335.54	-	-	-

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled. **(₹ in Lakhs)**

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	32,267.92	-	32,267.92	43,617.04	-	43,617.04
Bank balances other than cash and cash equivalents	79.21	448.87	528.08	958.28	147.70	1,105.98
Other receivables	242.98	-	242.98	305.83	-	305.83
Loans	1,18,915.91	2,49,944.63	3,68,860.54	97,753.67	2,17,015.17	3,14,768.84
Investments	12,519.51	2,816.96	15,336.47	-	7.86	7.86
Other financial assets	1,983.45	1,912.12	3,895.57	187.03	3,956.57	4,143.60
Derivative financial instrument	653.89	1,681.65	2,335.54	-	-	-
Non financial assets						
Deferred tax assets (Net)	120.70	683.97	804.67	-	414.53	414.53
Investment property	-	118.49	118.49	-	379.64	379.64
Asset held for sale	186.10	-	186.10	-	-	-
Property, plant and equipment	-	19,563.86	19,563.86	-	12,250.86	12,250.86
Right of use Asset	-	1,053.50	1,053.50		1,409.57	1,409.57
Intangible assets	-	409.60	409.60	-	334.13	334.13
Capital work in progress	-	96.60	96.60	-	96.60	96.60
Other non financial assets	750.49	1,418.05	2,168.54	1,034.05	-	1,034.05
Total Assets	**1,67,720.16**	**2,80,148.30**	**4,47,868.46**	**1,43,855.89**	**2,36,012.64**	**3,79,868.53**
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
Payables						
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of other than micro enterpris-es and small enterprises	-	-	-	-	-	-

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other payables	-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises	61.29	-	61.29	-	-	-
Total outstanding dues of other than micro enterprises and small enterprises	1,599.99	-	1,599.99	898.58	-	898.58
Debt securities	7,982.14	36,209.86	44,192.00	7,976.78	33,320.73	41,297.51
Borrowings (Other than debt securities)	99,697.77	1,42,859.76	2,42,557.53	84,696.14	1,37,534.94	2,22,231.08
Sub ordinated liabilities	-	19,383.16	19,383.16	-	9,551.42	9,551.42
Other financial liabilities	18,913.31	26,834.81	45,748.12	15,895.70	23,387.79	39,283.49
Derivative financial instrument	-	-	-	-	355.56	355.56
Lease Liability	573.70	573.70	1,147.39	-	1,453.15	1,453.15
Non financial liabilities						
Current tax liabilities	124.41	-	124.41	199.47	-	199.47
Deferred Tax Liabilities	-	-	-	-	-	-
Provisions	716.05	172.91	888.96	356.62	120.67	477.29
Other non financial liabilities	385.37	-	385.37	430.63	-	430.63
Equity						
Equity share capital	-	4,358.43	4,358.43	-	4,202.22	4,202.22
Instruments entirely equity in nature	-	19,909.35	19,909.35	-	-	-
Other equity	-	67,512.46	67,512.46	-	59,488.13	59,488.13
Total Equity & liabilities	**1,30,054.02**	**3,17,814.44**	**4,47,868.46**	**1,10,453.92**	**2,69,414.61**	**3,79,868.53**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to equity price risk and exposure to foreign exchange rate are fully hedged through cross currency interest rate swap.

Interest rate risk

On Investments

Sensitivity analysis **(₹ in Lakhs)**

Particulars	Fair value Ind AS	Sensitivity to fair value	
		1% increase	1% decrease
March 31, 2026	15,336.47	15,489.83	15,183.11
March 31, 2025	7.86	7.94	7.78

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured quarterly assuming varied changes in interest rates are presented and monitored by ALCO.

Sensitivity analysis as at March 31, 2026 : **(₹ in Lakhs)**

Particulars	Fair value Ind AS	Sensitivity to fair value	
		1% increase	1% decrease
Loans	3,68,860.54	3,72,549.15	3,65,171.93
Investments	15,336.47	15,489.83	15,183.11
Investment properties	118.49	119.68	117.31
Debt securities	44,192.00	44,633.92	43,750.08
Borrowings (Other than debt securities)	2,42,557.53	2,44,983.11	2,40,131.95
Sub ordinated liabilities	19,383.16	19,576.99	19,189.33
Cash collateral	31,408.87	31,722.96	31,094.78
Security deposit on leased assets	2,089.79	2,110.69	2,068.89

Sensitivity analysis as at March 31, 2025 : **(₹ in Lakhs)**

Particulars	Fair value Ind AS	Sensitivity to fair value	
		1% increase	1% decrease
Loans	3,14,768.84	3,17,916.53	3,11,621.15
Investment properties	590.92	596.83	585.01
Debt securities	41,297.51	41,710.49	40,884.54
Borrowings (Other than debt securities)	2,22,231.08	2,24,453.39	2,20,008.76
Cash collateral	27,318.75	27,591.94	27,045.56
Security deposit on leased assets	1,066.06	1,076.72	1,055.40
Sub ordinated liabilities	9,551.42	9,646.93	9,455.91

Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company.

The company assesses the risk of loss on realisation in case of Stage 3 loans based on the available collateral security, which can be plant & machinery, property, book debts, vehicles etc.

The Company assesses the credit quality of all financial instruments that are subject to credit risk. The computation of probability of defaults has been derived based on overall behaviour of the portfolio.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months - Expected Credit Loss (ECL). Such loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance applicable to Lifetime ECL.

Definition of Default (Asset becomes credit impaired - Stage III)

A default is considered to have occurred with regard to a particular obligor when one or more of the following events has taken place.

(a) It is determined that the obligor is unlikely to pay its debt obligations (principal, interest, or fees) in full

(b) A credit loss event associated with any obligation of the obligor, such as a charge-off, specific provision, or distressed restructuring involving the forgiveness or postponement of principal, interest, or fees; or

(c) The obligor is past due more than 90 days on any credit obligation; or

(d) The obligor has filed for bankruptcy or similar protection from creditors.

(e) Any of the hypothecated assets has been repossessed

Stage 3: Loans considered credit-impaired (as outlined in Note 52(x)). The Company records an allowance as applicable for the lifetime ECL.In line with the internal credit risk management and regulatory requirements the default is defined as any loans/advance remaining overdue for more than 90 days due to non-payment of installment and or interest

Significant increase in Credit Risk (Stage II)

Under the classification requirement for loans and advances under Ind-AS, a case has to have classified under Stage 2 where there is a significant increase in credit risk demonstrated by non-payment of installment and or interest by the counter party.

In line with existing portfolio performance and experience and definition set forth by RBI guidelines, EFL shall classify portfolio which is more that 30 days past due as Stage 2.

Computation of Expected Credit Losses (ECL)

ECL is a product of PD % X LGD % X EAD

For Stage 1 (DPD Bucket 0 & 30) – 12-month average PD% x LGD% x EAD of Stage 1 portfolio

For Stage 2 (DPD Bucket 31 & 89) – Lifetime PD% x LGD% x EAD of Stage 2 portfolio

For Stage 3 (DPD 90 and above) – PD 100% X LGD% X EAD of Stage 3 portfolio

Probability of Default (PD) is calculated as historical PD giving impact of forward looking by using macro economic factor.

Loss given Default (LGD) is calculated as historical default and recovery thereof.

Primary and Collateral Securities

The nature of lending products of the company are either secured or unsecured. Secured products are secured by hypothecation of primary security (for purchase of which the loan was granted) and/or it may be additionally secured by hypothecation/mortgage of a collateral security for property loans, the company secures its charge on security by mortgage of property. Although the primary security and collateral are important risk mitigating factors for credit risk, it is ensured that lending decisions are taken based on the assessment of the customer's ability to repay, preparedness to generate sufficient cash flows and intention to repay which is assessed based on previous track records.

Based on the nature of product and the Company's assessment of the customer's credit risk, the borrower may be mandated to secure the loan by offering suitable collateral security. Depending on its quantum and form, collateral security can have a significant financial impact on mitigating the credit risk.

The Company periodically monitors the market value of primary and collateral securities and compares its exposure to arrive at loan to value metrics for high risk customers. The Company selectively exercises its right to repossess the machinery, surrender the insurance policies and attach the properties across all secured products.

Where-ever required, it also resorts to invoking its right under the SARFAESI Act and other judicial remedies available for its machine finance and other loan assets. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues.

The Company does not record repossessed assets on its Balance Sheet as non–current assets held for sale unless there is a documented transaction of purchase of such asset against full (or partial) settlement of loan.

Analysis of concentration risk

The Company continues to grow its product offerings by expanding its geographic reach in order to reduce geographic concentrations while continually calibrating its product mix across its various categories of lending.

Expected credit loss sensitivity to future economic conditions

Expected credit loss impairment allowances recognised in the financial statements reflect the estaimations used in computation of its input variables i.e. PD and LGD percentages. The following table summarises the impact on the Expected Credit Loss (ECL) at the end of the reporting period arising on due to changes in PD % and LGD%.

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Gross carrying amount of loans	375,906.09	320,455.14
Reported ECL	7,045.55	5,686.30
Reported ECL coverage	1.87%	1.77%
ECL amount for alternate situations		
Central scenario	7,045.55	5,686.30
Downside scenario (-5%)	7,397.83	5,970.62
Upside scenario (+5%)	6,693.27	5,401.99
ECL coverage ratios by scenarios		
Central scenario	1.87%	1.77%
Downside scenario (-5%)	1.97%	1.86%
Upside scenario (+5%)	1.78%	1.69%

51 Additional Regulatory Requirements

a) Loans and advances to promoters, Directors, Key Managerial Personnel and Related Parties:

As at March 31, 2026 (₹ in Lakhs)

Type of Borrower	Loan	Advance	Percentage of Loan to total loan	Percentage of advance to total advance
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	6.38	-	0%	-

As at March 31, 2025 (₹ in Lakhs)

Type of Borrower	Loan	Advance	Percentage of Loan to total loan	Percentage of advance to total advance
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	17.61	-	0%	-

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

c) Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2026 and March 31, 2025. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period.

d) Compliance with number of layers of companies
The Company has complied with the number of layers pescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2026 and March 31, 2025

e) Undisclosed income
There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Company has not advances or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiary.

g) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

h) Details of crypto currency or virtual currency
The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2026 and March 31, 2025.

i) Wilful defaulter
The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2026 and March 31, 2025.

j) Fraud reporting
The company has not reported any fraud during the year ended March 31 2026 and March 31, 2025.

k) Relationship with struck off companies
There are no relationship with struck off companies during the year ended March 31, 2026 and March 31, 2025.

l) Whistle blower complaints
The Company has established a robust vigil mechanism in accordance with the provisions of the Companies Act, 2013, and ensures confidentiality, protection against victimisation, and timely resolution of complaints.

Summary information on complaints

Particulars	March 31, 2026	March 31, 2025
Number of complaints received	1	0
Number of complaints resolved	1	0
Number of complaints pending as at year end	0	0

All complaints were reviewed by the appropriate authority and necessary actions were taken wherever required.

52 Additional disclosures as required by RBI

As required by RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

a. Capital to Risk Assets Ratio ('CRAR') (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
(i)	CRAR (%)	22.79%	24.76%
(ii)	CRAR – Tier I Capital (%)	18.69%	22.26%
(iii)	CRAR – Tier II Capital (%)	4.10%	2.50%
(iv)	Amount of subordinated debt raised as Tier II Capital	10,000.00	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

Note 1: CRAR as at March 2026 is on the basis of CRAR filed with RBI.

Note 2: During the current year the Compulsory Convertible Preference Shares (CCPS) issued by the Company to Wanaka Inclusions, a private equity investors, has been reclassified as equity under 'Instruments entirely equity in nature' as it meets the criteria specified in definition of financial liability under Ind AS 32. The same has been included as Tier-1 Capital for calculation of CRAR as per RBI guidelines.

b. Investments (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1)	Value of Investment		
(i)	Gross value of Investments	**15,336.47**	**7.86**
	(a) In India	15,336.47	7.86
	(b) Outside India	-	-
(ii)	Provision for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments	**15,336.47**	**7.86**
	(a) In India	15,336.47	7.86
	(b) Outside India		
2)	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write off/ write back of excess provision during the year	-	-
(iv)	Closing Balance	-	-

c. Derivatives:

1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	The Notional principal of swap agreement	15,372.00	15,372.00
2	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
3	Collateral required by the Company upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book (Asset/(liability))	2,335.54	(355.56)

2. Disclosures on risk exposure and derivatives

Qualitative Disclosures (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	Derivative (Notional Principal Amount) - For Hedging	15,372.00	15,372.00
2	Marked to market position (a) Asset [+] Estimated Gain (b) Liability [-] Estimated Loss	- 2,335.54 -	- - 355.56
3	Credit Exposure	17,679.47	15,482.48
4	Unhedged exposures	-	-

d. Disclosures relating to Securitization / Pass through certificate (PTC)

During the year the Company has sold loans through securitization. The information on securitization activity of the Company as an originator is as shown below: **(₹ in Lakhs)**

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	Total number of loans securitized	-	-
2	Total book value of loans securitized	-	-
3	Total book value of loans securitised including loans placed as collateral	-	-
4	Sale consideration received for loans securitised	-	-
5	Excess interest spread recognised in the statement of profit and loss	-	-
6	Credit enhancements provided and outstanding (Gross):	-	-
	- Interest subordination	-	-
	- Principal subordination	-	-
	- Cash collateral	-	-

Position of outstanding balances is as under: **(₹ in Lakhs)**

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	No. of SPVs sponsored by the NBFC for securitization transaction #	-	1
2	Total amount of securitized assets as per books of the SPVs	-	509.84
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	585.90
	a) Off-balance sheet exposures	-	-
	* First Loss	-	-
	* Others	-	-
	b) On-balance sheet exposures	-	585.90
	* First Loss	-	585.90
	* Others	-	-
4	Amount of exposures to securitization transaction other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	(ii) Exposure to third party securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	b). On-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	(ii) Exposure to third party securitizations	-	-
	* First Loss	-	-
	* Others	-	-

Only the SPVs relating to outstanding securitization transactions reported here.

e. Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year other than those already disclosed in point (g) below.

f. Details of Assignment Transactions undertaken by the NBFC

a) Details of loans transfer through Assignment and Co-lending (CLM-2) in respect of loans not in default during the year ended March 31, 2026

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026
(i)	No. of Accounts assigned	4,386
(ii)	Aggregate principal outstanding of loans transferred through assignment (₹ Lakhs)	68,864.51
(iii)	Aggregate consideration received (₹ Lakhs)	58,942.52
(iv)	Weighted average original maturity of loans	56.04
(v)	Weighted average remaining maturity of loans (in months)	45.34
(vi)	Weighted average holding period of loans (in months)	10.70
(vii)	Retention of beneficial economic interest	10% / 20 % / 25%
(viii)	Coverage of tangible security coverage	100%
(ix)	Rating wise distribution of rated loans	Unrated

b) Details of loans acquired through Assignment in respect of loans not in default during the year ended March 31, 2026

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026
(i)	No. of Accounts acquired	2,377
(ii)	Aggregate principal outstanding of loans acquired through assignment (₹ Lakhs)	4,132.07
(iii)	Aggregate consideration paid (₹ Lakhs)	3,718.86
(iv)	Weighted average original maturity of loans	56.94
(v)	Weighted average remaining maturity of loans (in months)	46.23
(vi)	Weighted average holding period of loans (in months)	10.71
(vii)	Retention of beneficial economic interest	90%
(viii)	Coverage of tangible security coverage	100%
(ix)	Rating wise distribution of rated loans	Unrated

c) The Company has not acquired loans in default during the year ended March 31, 2026, under the said Notification.

d) The Company has neither transferred nor acquired any stressed loans during the year ended March 31, 2026, under the said Notification other than those already disclosed in point (g) below.

g. Details of non-performing financial assets purchased / sold:

a) The Company has not purchased non-performing financial assets in the current and previous year.

b) Details of non-performing financial assets sold to reconstruction company for asset reconstruction:

(₹ in Lakhs)

Sr. No.	Particulars		March 31, 2026	March 31, 2025
i)	Total number of loan assets sold during the year	count	2,388	-
ii)	Aggregate principal outstanding of loans transferred	(₹ Lakhs)	6,069.33	-
iii)	Weighted average residual tenor of the loans transferred	(in months)	28.84	-
iv)	Net book value of loans transferred (at the time of transfer)	(₹ Lakhs)	6,281.25	-
v)	Aggregate consideration	(₹ Lakhs)	3,945.00	-
vi)	Additional consideration realized in respect of accounts transferred in earlier years	(₹ Lakhs)	NA	-
vii)	Excess provisions reversed to the profit and loss account on sale of stressed loans	(₹ Lakhs)	269.74	-
viii)	Investment in security receipts	(₹ Lakhs)	3,353.00	-
ix)	Outstanding security receipts	(₹ Lakhs)	3,303.27	-

h. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on March 31, 2026

(₹ in Lakhs)

Sr. No.	Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 months up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
1	Advances#	6,535.21	2,499.95	963.62	10,531.53	10,821.78	31,039.86	56,523.96	1,68,538.84	63,433.33	17,972.46	3,68,860.54
2	Deposits	-	-	-	-	-	-	-	-	-	-	-
3	Investments	1,202.40	1,803.60	2,404.80	3,039.04	3,640.24	99.10	330.33	1,156.14	1,156.14	504.67	15,336.47
4	Borrowings*	10,656.64	134.19	4,530.76	6,965.48	12,463.42	24,446.03	48,483.38	1,38,305.45	50,763.40	9,383.93	3,06,132.69

#net of cash collateral and security deposit taken from borrower

*includes cash credit facilities secured against hypothecation of book debts

Maturity pattern of certain items of assets and liabilities as on March 31, 2025

(₹ in Lakhs)

Sr. No.	Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 months up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
1	Advances#	6,009.86	1,490.10	4,136.74	6,768.32	8,405.82	24,760.83	46,182.00	1,43,624.43	57,915.88	15,474.86	3,14,768.84
2	Deposits	-	-	-	-	-	-	-	-	-	-	-
3	Investments	-	-	-	-	-	-	-	7.83	-	0.03	7.86
4	Borrowings*	10,103.17	134.19	3,519.61	5,822.83	11,045.47	22,853.92	39,193.74	1,07,315.76	51,443.99	1,737.99	2,53,170.67

#net of cash collateral and security deposit taken from borrower

*includes cash credit facilities secured against hypothecation of book debts

i. Exposures

Exposure to real estate sector, both direct & indirect **(₹ in Lakhs)**

Sr. No.	Category	March 31, 2026	March 31, 2025
a)	**Direct Exposure**		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	38,983.86	56,610.50
	(ii) Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, Multi-tenanted commercial premises industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits;	28,147.37	23,975.90
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	-	-
	a. Residential	3,303.27	-
	b. Commercial Real Estate	-	-
	(iv) Other Investments in Real Estate	304.59	379.64
b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

Exposure to Capital Market **(₹ in Lakhs)**

Sr. No.	Category	March 31, 2026	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;	9.18	7.86
(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;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers 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)	All exposures to Venture Capital Funds (both registered and unregistered).	-	-
(ix)	Other investments	12,024.02	-
	Total Exposure to Capital Market	**12,033.20**	**7.86**

j. Details of financing of parent company products:

The Company does not have any financing of parent company products during the current and previous year.

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded the prudential exposure limits during the current and previous year.

l. Unsecured Advances – Refer note no. 7 B (ii)

m. Registration obtained from other financial sector regulators:

The Company is registered only with Reserve Bank of India.

n. Details of Non Compliance with requirements of Companies act, 2013

There are no non Compliance with requirements of Companies act, 2013.

o. Disclosure of penalties imposed by RBI and other regulators:

Penalty of Rs. 5,900 was levied by BSE Limited for delay in compliance under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during current year and no penalties were imposed by RBI or other regulators during current year and previous year except as mentioned above

p. Ratings assigned by credit rating agencies and migration of ratings during the year: **(₹ in Lakhs)**

Sr. No.	Name of the rating agency	Instru-ment	Date of rating	Rating as at March 31,2026	Rating limit	Rating as at March 31,2025	Rating limit
1	India Rating and Research Pvt. Ltd.	Bank Lines	March 23, 2026	IND A / Stable	2,55,000.00	IND A / Stable	2,30,000.00
2	India Rating and Research Pvt. Ltd.	NCD	March 23, 2026	IND A / Stable	45,660.00	IND A / Stable	34,000.00
3	ICRA Limited	NCD	February 06, 2026	[ICRA]A (Stable)	4,200.00	[ICRA]A (Stable)	4,200.00
4	ICRA Limited	CP	February 06, 2026	ICRA A1 Assigned	2,500.00	ICRA A1 Assigned	2,500.00

q. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit or loss

r. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties

s. Remuneration to Directors **(₹ in Lakhs)**

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	**Transactions with the independent directors**		
a)	Directors' Sitting Fees	14.25	21.50
b)	Director Commission	12.25	-

t. Provisions and Contingencies **(₹ in Lakhs)**

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	Provision towards NPA	3,492.32	1,459.68
2	Provision made towards Income Tax	1,657.37	1,729.18
3	Provision for Standard Assets	473.25	523.86
4	Provision for leave benefits	90.16	8.31
5	Provision for gratuity	321.18	16.15

u. Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2026 (previous year: Nil).

v. Concentration of Deposits, Advances, Exposures and Stage 3 Assets (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	**Concentration of Advances**		
	Total advances to twenty largest borrowers	19,452.87	14,113.49
	(%) of advances to twenty largest borrowers to total advances	5.17%	4.40%
2	**Concentration of Exposures**		
	Total exposure to twenty largest borrowers/customers	19,452.87	14,113.49
	(%) of exposure to twenty largest borrowers/customers to total exposure	5.17%	4.40%
3	**Concentration of Stage 3 Assets**		
	Total exposure to top four Stage 3 accounts	637.76	249.87

w. Sector-wise Stage 3 Assets (₹ in Lakhs)

Sr. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		March 31, 2026	March 31, 2025
1	Agriculture & allied activities	8.30%	8.00%
2	MSME	1.22%	0.88%
3	Corporate borrowers	0.55%	0.13%
4	Services	7.54%	4.31%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	38.31%	11.51%
7	Other Retail loans	5.17%	5.36%

x. Movement of Stage 3 Assets (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
(i)	Net Stage 3 Assets to Net Advances (%)	1.06%	1.05%
(ii)	Movement of Stage 3 Assets (Gross)		
	a. Opening balance	6,336.67	3,519.71
	b. Additions during the year	5,909.87	5,431.50
	c. Reductions during the year	(4,431.26)	(2,614.53)
	d. Closing balance	7,815.28	6,336.67
(iii)	Movement of Net Stage 3 Assets		
	a. Opening balance	3,318.15	1,960.86
	b. Additions during the year	4,390.16	3,256.17
	c. Reductions during the year	(3,797.56)	(1,898.88)
	d. Closing balance	3,910.76	3,318.15
(iv)	Movement of provisions for Stage 3 Assets		
	(excluding provisions on Stage 1 & Stage 2 Assets)		
	a. Opening balance	3,018.52	1,558.85
	b. Provisions made during the year	1,519.70	2,175.32
	c. Write-off/write-back of excess provisions	(633.70)	(715.65)
	d. Closing balance	3,904.52	3,018.52

y. Disclosure of Complaints

Sr. No.	Particulars	March 31, 2026	March 31, 2025
(i)	No. of complaints pending at the beginning of the year	6	3
(ii)	No. of complaints received during the year	319	418
(iii)	No. of complaints redressed during the year	325	415
(iv)	No. of complaints pending at the end of the year	-	6

Till the previous year, the customer complaints received through RBI were reported. In current year, we have included the complaints directly received by the company and accordingly the previous year number has been suitably modified.

z. Outstanding of loans against security of gold as a percentage to total assets is Nil (March 31, 2025: Nil).

aa. Disclosure of restructured accounts as required by RBI NBFC Master Direction **(₹ in Lakhs)**

Sr. No.	Type of Restructuring	Others				
	Asset Classification	Standard	Sub Standard	Doubtful	Loss	Total
1	**Restructured Accounts as on April 1, 2025**					
	a. No. of borrowers	7	1	2	-	10
	b. Amount outstanding	323.88	48.40	36.00	-	408.28
	c. Provision thereon	12.75	30.93	23.01	-	66.69
2	**Fresh restructuring during the year**					
	a. No. of borrowers	1	-	-	-	1
	b. Amount outstanding	25.27	-	-	-	25.27
	c. Provision thereon	0.10	-	-	-	0.10
3	**Upgradations to restructured standard category during the FY**					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
4	**Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY**					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
5	**Down gradations of restructured accounts during the FY**					
	a. No. of borrowers	-	(1)	1	-	-
	b. Amount outstanding	-	(48.40)	54.07	-	5.68
	c. Provision thereon	-	(30.93)	31.70	-	0.77
6	**Write-offs/Recovery of restructured accounts during the FY**					
	a. No. of borrowers	(3)	-	-	-	(3)
	b. Amount outstanding	(142.24)	-	-	-	(142.24)
	c. Provision thereon	1.61	-	-	-	1.61
7	**Restructured Accounts as on March 31, 2026**	-	-	-	-	
	a. No. of borrowers	5	-	3	-	8
	b. Amount outstanding	206.91	-	90.07	-	296.99
	c. Provision thereon	14.45	-	54.71	-	69.16

ab. Disclosure on the asset classification and computation of provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) RBI/DOR/2025-26/356 DOR.STR.REC. No.275/21.04.048/2025-26 dated November 28, 2025

(₹ in Lakhs)

Sr. No.	Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
1	**Performing Assets**						
	Standard	Stage 1	3,61,566.85	2,326.65	3,59,240.19	1,446.26	880.39
		Stage 2	6,523.96	814.38	5,709.58	26.10	788.28
	Subtotal for Standard						
2	**Non- Performing Assets (NPA)**						
	Substandard	Stage 3	6,092.61	3,021.54	3,071.07	609.26	2,412.28
	Doubtful - up to 1 year	Stage 3	1,359.43	705.66	653.77	271.89	433.77
	1 to 3 years	Stage 3	326.24	158.78	167.46	97.87	60.91
	More than 3 years	Stage 3	37.00	18.54	18.46	18.50	0.04
	Subtotal for doubtful		**7,815.28**	**3,904.52**	**3,910.76**	**997.52**	**2,907.00**
	Loss	Stage 3	-	-	-	-	-
	Subtotal for Loss						
	Other items						
	Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	10,243.12	46.59	10,196.53	-	46.59
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
	Subtotal						
	Total	**Stage 1**	3,71,809.98	2,373.24	3,69,436.72	1,446.26	926.98
		Stage 2	6,523.96	814.38	5,709.58	26.10	788.28
		Stage 3	7,815.28	3,904.52	3,910.76	997.52	2,907.00
		Total	**3,86,149.21**	**7,092.14**	**3,79,057.06**	**2,469.88**	**4,622.26**

ac. Area of Operation

The Company primarily operates in India through its network of branches across various locations regulated under applicable RBI guidelines and the nature of operations is confined to domestic markets. The Company does not have any overseas subsidiaries/joint ventures.

ad. Currency Options & Futures

There are no currency options and futures during the year ended March 31, 2026 (previous year: Nil).

ae. Credit default swaps

There are no credit default swaps during the year ended March 31, 2026 (previous year: Nil)

af. Project Finance

There are no project finance during the year ended March 31, 2026 (previous year: Nil).

ag. Loan against gold and silver collateral

There are no loans given against the collateral of gold and silver during the year ended March 31, 2026 (previous year: Nil).

ah. Details of Non-Fund Based (NFB) Credit Facilities: **(₹ in Lakhs)**

Sr. No.	Particulars	March 31, 2026		March 31, 2025	
		Secured	Unsecured	Secured	Unsecured
I	Outstanding Guarantees				
	i) In India	636.05	-	668.49	-
	ii) Outside India	-	-	-	-
II	Other NFB Credit Facilites	73.63	-	-	-

ai. Liquidity Risk Management disclosure for Non-Banking Financial Companies and Core Investment Companies - RBI/DoR/2025-26/355 DoR.LRG.REC.No.274/13-10-004/2025-26 dated November 28, 2025

1) Funding Concentration Based on Significant Counterparty (both deposits & borrowings) **(₹ in Lakhs)**

Sr. No.	No. of Significant Counterparties	Amount	% of Total Liabilities
1	43	3,06,132.69	85.97%

As regards the deposits is concerned, company is a non deposit taking NBFC so not applicable

2) Top 20 Large Deposits (Amount in Rs. lakhs & % of total deposits) : Not applicable

3) Top 10 borrowings (Amount in Rs. lakhs & % of total borrowings)

(₹ in Lakhs)

Sr. No.	No. of Significant Counterparties	Amount	% of Total Borrowings
1	IDFC Bank	24,827.56	8.11%
2	Federal Bank	23,577.24	7.70%
3	SBI	19,347.79	6.32%
4	Bank of Maharashtra	18,611.47	6.08%
5	Symbiotics	17,924.00	5.85%
6	Triple Jump	15,372.00	5.02%
7	Canara Bank	14,476.38	4.73%
8	SIDBI	10,917.00	3.57%
9	Philip Capital	10,000.00	3.27%
10	Bajaj Finance	9,546.70	3.12%
	Top 10 borrowings	**1,64,600.14**	**53.77%**

Note : The above balances of top 10 borrowings is without considering the impact of EIR, MTM and Accrued interest

4) Funding Concentration based on Significant instrument / product

Sr. No.	Name of Instrument/Product	Amount	% of Total Liabilities
1	Term Loan	2,33,177.93	65.48%
2	Non -Convertible Debentures	58,141.41	16.33%
3	Bonds	5,433.75	1.53%
4	Borrowings towards Securitization	0.00	0.00%
5	Commercial Papers	0.00	0.00%
6	Cash Credit	9,379.60	2.63%

Significant instrument/product on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

5) Stock Ratios
a) Commercial papers as a % of total public funds, total liabilities & total assets: Nil (Previous year: 0.95%)
b) Non Convertible debentures (original Maturity of less than one year) as a % of total public funds, total liabilities & total assets: Nil, Company has not issued any debentures having original maturity of less than one year.
c) Other Short term liabilities, if any as a % of total public funds, total liabilities and total assets

Sr. No.	Name of Instrument/Product	Amount	% of Total Liabilities
1	Working Capital Demand Loan	-	0.00%
2	Commercial Papers	-	0.00%
3	Cash Credit	9,379.60	2.63%

6) Institutional Set up for liquidity risk management
EFL is having Liquidity risk management policy which has been approved by the board covering Liquidity Risk Management Policy, Strategies and Practices, Management Information System (MIS), Internal Controls, Maturity profiling, Liquidity Risk Measurement – Stock Approach, Currency Risk, Managing Interest Rate Risk, Liquidity Risk Monitoring Tools.

53 Disclosure as required by circular no RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025
A) Exposure
1) Exposure to real estate sector **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	38,983.86	56,610.50
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	28,147.37	23,975.90
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	3,303.27	-
ii. Commercial Real Estate	-	-
d) Other Investments in Real Estate	304.59	379.64
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	**70,739.09**	**80,966.04**

2) Exposure to capital market **(₹ in Lakhs)**

Particulars	March 31, 2026	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 *	9.18	7.86
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	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
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	-	-
Financing to stockbrokers for margin trading	-	-
All exposures to Alternative Investment Funds:		
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Other investments	12,024.02	-
Total exposure to capital market	**12,033.20**	**7.86**

3) Sectoral exposure **(₹ in Lakhs)**

Sectors	March 31, 2026			March 31, 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	9,059.73	666.00	7.35%	11,193.55	867.33	7.75%
2. Industry						
2.1 Large	1,587.47	-	0.00%	1,743.37	-	0.00%
2.2 Medium	12,165.30	-	0.00%	16,958.70	233.89	1.38%
2.3 Micro and Small	3,02,810.47	3,017.14	1.00%	2,20,052.58	1,460.38	0.66%
2.4 Others	54.97	4.93	8.97%	51.12	5.02	9.81%
3. Services						
3.1 Other Services	6,631.34	479.71	7.23%	8,265.53	539.24	6.52%
3.2 NBFCs	15,838.62	385.68	2.44%	17,926.98	-	0.00%
4. Personal Loans						
4.1 Vehicle / Auto Loans	3,934.22	1,507.26	38.31%	7,594.24	873.78	11.51%
4.2 Other Retail Loans	34,140.72	1,754.56	5.14%	44,639.32	2,357.04	5.28%
Total of All Loans	**3,86,222.84**	**7,815.28**	**2.02%**	**3,28,425.40**	**6,336.67**	**1.93%**

4) Intra-group exposures **(₹ in Lakhs)**

Particulars	March 31, 2026	March 31, 2025
i) Total amount of intra-group exposures	6.38	17.61
ii) Total amount of top 20 intra-group exposures	6.38	17.61
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Less than 1%	Less than 1%

5) Unhedged foreign currency exposure

Company's unhedged foreign currency expressed as on March 31, 2026 is NIL (March 31, 2025 - NIL)

B) Related Party Disclosure **(₹ in Lakhs)**

Particulars	Parent Company (A		Subsidiaries (B)		Group Enterprises (C)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Advances (Gross of ECL Provision)	-	-	-	-	6.38	17.61
Investments	-	-	-	-	0.03	0.03
Interest paid	-	-	-	-	-	20.71
Interest received	-	-	-	-	2.58	3.75
Rent	-	-	-	-	4.83	4.39
Reimbursement of Expenses	-	-	-	-	1.14	-
Other Receivables	1.42	-	-	-	-	-
Resource Support Income	1.20	-	-	-	-	-
Total	**2.62**	**-**	**-**	**-**	**14.96**	**46.49**

(₹ in Lakhs)

Particulars	Key Management Personnel (D)		Relatives of Key Management Personnel (E)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Borrowings	-	-	-	-
Deposits	-	-	-	-
Advances (Gross of ECL Provision)	-	-	-	-
Interest paid	-	10.14	-	20.94
Interest received	-	-	-	-
Rent	-	-	-	-
Salary	371.77	280.07	5.70	0.38
Total	**371.77**	**290.21**	**5.70**	**21.32**

(₹ in Lakhs)

Particulars	Associates/ Joint ventures (F)		Total (A+B+C+D+E+F)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Advances (Gross of ECL Provision)	-	-	6.38	17.61
Investments	-	-	0.03	0.03
Interest paid	-	-	-	51.79
Interest received	-	-	2.58	3.75
Rent	-	-	4.83	4.39
Salary	-	-	377.47	280.45
Reimbursement of Expenses	-	-	1.14	-
Other Receivables	-	-	1.42	-
Resource Support Income	-	-	1.20	-
Total	**-**	**-**	**395.05**	**358.02**

(₹ in Lakhs)

Particulars	Maximum amount outstanding during the year	
	March 31, 2026	March 31, 2025
Deposits	-	813.04
Investments	0.03	0.03
Advances (Gross of ECL Provision)	20.19	29.01
Interest paid	-	-
Interest received	-	-
Rent	-	-
Salary	-	-
Total	**20.21**	**842.09**

C) Overseas Assets

The Company does not have any overseas assets as at 31 March 2026 and 31 March 2025.

D) Off- Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at 31 March 2026 and 31 March 2025.

E) Disclosure of complaints

Summary information on complaints received by the NBFCs from customers

Particulars	March 31, 2026	March 31, 2025
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	6	3
2. Number of complaints received during the year	319	418
3. Number of complaints disposed during the year	325	415
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	6
Number of maintainable complaints received by the NBFC from Office of Ombudsman (RBI)	55	51
1. Number of complaints resolved in favour of the NBFC by Office of Ombudsman	55	51
2. Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
3. Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
4. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-
Number of complaints pending at the end of the year	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	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 be-yond 30 days
1	2	3	4	5	6
As at March 31, 2026					
Loans & Advances	4	149	-33%	-	-
Bureau Updation	-	35	6%	-	-
Foreclosure	2	114	104%	-	-
Charges	-	5	-55%	-	-
Mis Selling	-	2	-98%	-	-
Others	-	14	1300%	-	-
Total	**6**	**319**	**-24%**	**-**	**-**
As at March 31, 2025					
Loans & Advances	1	223	278%	4	-
Bureau Updation	-	33	65%	-	-
Foreclosure	-	56	143%	2	-
Charges	-	11	-54%	-	
Mis Selling	-	94	100%	-	-
Others	2	1	-99%	-	
Total	**3**	**418**	**104%**	**6**	**-**

F) Breach of Covenant

There are no breach of covenants in respect of debt securities issued by the Company during the FY 2025-26 and FY 2024-25.

G) Divergence in Asset Classification and Provisioning

Below two conditions are not satisfied hence the details of diversions are not required to be disclosed:

a) No additional provisions have been assessed by RBI exceeding 5 percent of the reported profits before tax and impairment loss on financial instruments for the year ended 31 March 2026 and 31 March 2025.

b) RBI has not identified additional Gross NPAs exceeding 5 percent of reported Gross NPAs for the year ended 31 March 2026 and 31 March 2025.

54 During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020

Borrower Type	Exposure to Accounts classified as Standard (pursuant to implementation of resolution plan) Position as at March 31, 2025 (A)	Of (A) Aggre-gated exposure that slipped into NPA during the year ended March.31, 2026	Of (A), amount written off during the year ended March 31, 2026	Of (A), amount paid by the bor-rowers during the year ended March 31, 2026	Exposure to accounts classi-fied as Standard pursuant to im-plementation of resolution plan) – Position as on March 31, 2026
Personal Loan	-	-	-	-	-
MSME	84.79	3.30	2.79	72.90	5.80
Others – small business	371.35	7.10	-	213.85	150.39
Total	**456.14**	**10.40**	**2.79**	**286.75**	**156.19**

Total ECL provision for above loans is Rs.4.87 lakhs

55 Schedule to the balance sheet as required by circular no RBI/DOR/2025-26/359 DOR.ACC.REC. No.278/21.04.018/2025-26 dated November 28, 2025

(₹ in Lakhs)

Particulars Liabilities side :		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 NBFCs inclusive of interest accrued thereon but not paid:**				
	(a) Debentures:				
	i) Secured	21,078.78	-	17,627.44	-
	ii) Unsecured	-	-	1,977.60	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	233,177.93	-	191,330.43	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	2,500.00	-
	(f) Public Deposits*	-	-	-	-
	(g) Other Loans (External Commercial Borrowings)	23,113.22	-	21,692.48	-
	i) Cash credit from banks	9,379.60	-	8,491.30	-
	ii) Working capital demand loan	-	-	-	-
	iii) Compulsory Convertible Preference Shares (CCPS)*	-	-	19,909.34	
	iv) Subordinated Liabilities	19,383.16	-	9,551.42	-
(2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):** (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits * Please see Note 1 below				
	Assets side :				
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**				
	(a) Secured	365,411.53	-	315,787.81	-
	(b) Unsecured	10,494.56	-	4,667.33	-
(4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities**				
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	13,658.97	-	5,902.65	-

Liabilities side : Particulars		As at March 31, 2026		As at March 31, 2025	
		Amount out- standing	Amount overdue	Amount out- standing	Amount overdue
(5)	Break-up of Investments :				
	Current Investments :				
	1. Quoted :				
	(i) Share :				
	(a) Equity	8.53	-	7.21	-
	(b) Preference	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-
	(iii) Units of mutual funds	12,024.02	-	-	-
	(iv) Government Securities	-	-	-	-
	(v) Others (Please specify)	-	-	-	-
	2. Unquoted :				
	(i) Shares :	-	-	-	-
	(a) Equity	0.65	-	0.65	-
	(b) Preference	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-
	(iv) Government Securities	-	-	-	-
	(v) Others (Investment in Mortgage backed securities)	3,303.27	-	-	-
(6)	**Borrower group-wise classification of all leased assets, stock-on- hire and loans and advances :**	**Amount net of provisions**			
	Please see Note 2 below				
	Category	**Secured**	**Unsecured**	**Secured**	**Unsecured**
	1. Related Parties **				
	(a) Subsidiaries				
	(b) Companies in the same group	6.36	-	17.54	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	3,58,560.90	10,293.28	3,10,151.45	4,599.85
	Total	**3,58,567.26**	**10,293.28**	**3,10,168.99**	**4,599.85**
(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):** **Please see note 3 below**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	Category				
	1. Related Parties **				
	(a) Subsidiaries				
	(b) Companies in the same group	0.03	0.03	0.03	0.03
	(c) Other related parties				
	2. Other than related parties	15,336.44	15,336.44	7.83	7.83
	Total	**15,336.47**	**15,336.47**	**7.86**	**7.86**
	** As per Accounting Standard of ICAI (Please see Note 3)				
(8)	**Other information**	**Amount**		**Amount**	
	Particulars				
(i)	Gross Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		7,815.28		6,336.67
(ii)	Net Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		3,910.76		3,318.15
(iii)	Assets acquired in satisfaction of debt		-		-

Notes:

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

56 Disclosure pertaining to financing transaction that does not require use of cash & cash equivalents:

(₹ in Lakhs)

Name of Instrument (March 31, 2026)	Opening	Cash Flow	Other	Closing
Debt securities	41,297.51	2,894.50	(0.01)	44,192.00
Borrowings (Other than debt securities)	2,22,231.08	39,211.37	(18,884.92)	2,42,557.53
Sub ordinated liabilities	9,551.42	10,000.00	(168.26)	19,383.16
Lease Liability	1,453.15	(610.19)	304.43	1,147.39

Name of Instrument (March 31, 2025)	Opening	Cash Flow	Other	Closing
Debt securities	30,881.59	9,558.04	857.88	41,297.51
Borrowings (Other than debt securities)	1,55,560.26	47,833.43	18,837.39	2,22,231.08
Sub ordinated liabilities	9,484.81	-	66.61	9,551.42
Lease Liability	1,585.62	(617.05)	484.58	1,453.15

57 Audit Trail

The Company utilizes accounting software equipped with an audit trail (edit log) feature to maintain its books of account. This facility operated throughout the year for all transactions recorded within the software. While comprehensive audit logs for direct database-level changes and collection entries time stamp were fully enabled with effect from 9 October 2025. Furthermore, all audit trail records have been preserved in accordance with statutory requirements for the retention of books of account

58 Exceptional items

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws, collectively referred to as the 'New Labour Codes'. The Company has assessed and disclosed the incremental impact of these changes, taking into consideration the best information available read with the FAQs released by Ministry of Labour & Employment and Institute of Chartered Accountants of India. Under IND AS 19 "Employee Benefits", changes to employee benefit plans arising from the New Labour Codes constitute plan amendments and they are required to be treated as past service costs and recognised as an expense in the statement of profit and loss. Considering the materiality and regulatory driven, non-recurring nature of this impact, the Company has presented incremental impact of ₹ 332.27 lakhs related to Employee Benefit Obligations under "Exceptional item" in the Statement of Profit and Loss for the year ended March 31, 2026.

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Changes in defined benefits plans (Past service cost)	332.27	-
Total	**332.27**	-

59 Figures for the previous years have been regrouped / reclassified wherever considered necessary to confirm with the current year's presentation.

Signature to notes on accounts
For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Arnob Choudhuri
Partner
Membership No.(F) 156378

Place: Pune
Date : May 15, 2026

Signature to notes on accounts
For and on Behalf of Board of Directors
Electronica Finance Limited
CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale
MD & CEO
DIN: 00182457

Mr. Sujit Natekar
Director
DIN: 00182517

Mr. Vipin Maheshwari
Chief Financial Officer

Ms. Shraddha Lukkad
Company Secretary
M No. A52260

Place: Pune
Date : May 15, 2026