Annual Report
2025-26

Hiranandani
Financial Services

Enabling Aspirations,
Delivering Value

Across the Pages

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The Disclaimer:

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

Enabling Aspirations, Delivering Value.

India's real economy runs on ambition. It runs on the kirana store owner who wants to expand inventory before the festive season, the small manufacturer looking to add another machine, the auto parts trader serving a growing transport cluster, and the dairy, hardware or agri-input dealer who needs timely capital to meet rising demand. These are not marginal borrowers. They are the productive core of a country in motion, underserved, not underqualified.

Hiranandani Financial Services (HFS) was built around a simple but consequential belief: that proximity, patience, and disciplined credit can unlock value where conventional finance has not reached. That belief has shaped every decision-where branches are opened, how loans are underwritten, how relationships are maintained long after disbursement.

FY 2025-26 was a year that tested conviction across the lending sector. HFS met it by going deeper-into geographies, into borrower understanding, into the infrastructure of a more capable and resilient institution. Capital was strengthened. Reach was extended. The foundation for the next phase of growth was deliberately and carefully laid.

Enabling aspirations is the work. Delivering value to borrowers, to communities, to every stakeholder who has placed their confidence in this institution - is the measure.

About House of Hiranandani

Redefining Community Living

House of Hiranandani (HoH) has shaped urban communities and continues to define how people live across some of India's most vibrant cities. Its developments across Mumbai Metropolitan Region (MMR), Bengaluru, Chennai and Hyderabad have grown into thriving communities, where thoughtful planning, inspired design and community living come together seamlessly.

As one of the early movers in integrated township development, House of Hiranandani has played a defining role in reimagining how residential spaces are conceptualized and delivered. Long before community living became an industry norm, the brand had set benchmarks for holistic, thoughtfully planned urban ecosystems in India's leading cities.

In the past four decades, the Group, led by Mr. Surendra Hiranandani has expanded across residential, commercial, retail, finance and hospitality, seamlessly integrating these into its mixed-use developments. Its unwavering focus on design, planning, engineering, sustainability and innovation continues to shape spaces that are contemporary, purposeful and built to endure.

Spanning Mumbai, Thane, Chennai, Bengaluru and Hyderabad, House of Hiranandani has completed over 51.67 million sq. ft. of development and delivered 27,686 homes. The Group has also enabled quality education for over 95,500+ students through its schools and extended healthcare through its hospital network, reflecting its commitment to creating value beyond real estate development.

Beyond residential developments, House of Hiranandani has built a diversified presence across commercial real estate, retail, healthcare, education and industrial and warehousing infrastructure, including over 14.76 million sq. ft. of commercial space and 9.1 million sq. ft. Grade A warehouses developed across 352 acres through Hiranandani Industrial Parks. Driven by innovation and sustainability, the Group has pioneered initiatives such as rainwater harvesting, sewage treatment, waste management and Miyawaki forests, while advancing environmental stewardship through its 'Tomorrow Matters' initiative. Recognized through numerous awards and accolades, House of Hiranandani continues to build future-ready communities and deliver lasting value to all its stakeholders.

45
Years of Expertise

51.67 million sq. ft.
Area Developed

27,686
Apartments Delivered

95,500+
Students Educated

1 Lakh+
Patients Served

69,000
Trees Planted

About Us

GROWTH that Empowers. Impact that Uplifts.

Hiranandani Financial Services (hereafter referred to as 'HFS' or 'The Company') is a Non-Banking Financial Company (NBFC) classified as a Middle Layer NBFC under the RBI's Scale-based Regulation framework. The Company is focused on serving small enterprises under the MSME ecosystem across India. The Company is positioned to support business owners who contribute to local economic activity and reflect the country's entrepreneurial landscape, offering lending solutions that are simple, relevant, and accessible.

HFS operates with a clear focus on India's Tier 2, 3, and 4 cities, where access to formal finance remains limited despite strong entrepreneurial activity. In these markets, often underserved by conventional lenders, HFS works closely with first-generation entrepreneurs and small businesses, enabling access to credit where it is most needed. Its lending model is anchored in secured business loans, with an average ticket size of around ₹10 Lakhs.

This focus has supported a steady expansion of its presence, with HFS now operating through 156 branches across nine states. Its on-ground network is complemented by a strong understanding of local customer needs, allowing the Company to respond effectively and tailor its offerings with precision.

HFS is building its own position within the financial services space, shaped by its purpose, supported by technology, and aligned with the requirements of India's real economy.

156
Branches across India

₹3,351 Crore
Assets Under Management (AUM)

33,000+
Customers

₹1,124 Crore
Loans Disbursed

2,120
Employees

₹584 Crore
Total Income

9
States

2.4%
GNPA

MISSION

To maintain the highest level of governance, sound business practices and a firm commitment to credit standards. We intend to be a customer-centric organization and offer a unique value proposition to every customer as per their requirements

VISION

We aim to be the preferred financial partner for the small enterprises of India

CORE VALUES

- Own Customer Experience
- Win Together
- Build Credibility and Trust
- Improve Everyday

CORESTRENGTHS

Growing stronger with a healthy capitalization - CRAR of 49%, underpinned by the maiden ₹800 Crore private equity raise

Branch-led distribution with 100% direct sourcing - no intermediaries, no DSAs

Synonymous with trust among customers

Robust secured portfolio with - GNPA at 2.4% through a year of sector-wide stress

Strong governance structure and professional management

OUR COMMITMENT

At HFS, we aim to fulfil the growth needs of small enterprises in India in a seamless and transparent manner through tailor made financial products that help in fulfilling their business ambitions. We currently serve small businesses in nine states through 156 branches, and we're committed to continuing our expansion.

GOVERNANCE FRAMEWORK

HFS's governance framework is structured to uphold strong corporate governance standards under various regulatory guidelines, ensure disciplined business practices, and maintain rigorous credit evaluation processes.

Business Model and Operations

A Model Anchored in Prudence and Performance

The Company's business model is built around secured MSME lending, direct sourcing, local market understanding and disciplined underwriting. By focusing on small businesses with genuine credit needs but limited formal documentation, HFS aims to support sustainable growth while maintaining credit discipline.

FOCUSED LENDING MODEL

The Company follows a focused lending model centered on cash flow-based financing, designed to meet the evolving financing needs of small enterprises. Complemented by collateral-based financing, this approach provides effective risk mitigation while supporting disciplined, risk-calibrated growth and stable asset quality.

Its portfolio is built on granularity, supported by an average ticket size of around ₹10 Lakhs and a conservative Loan-to-Value framework. Credit assessment combines formal evaluation with local market understanding, informal income assessment and cash flow analysis, enabling a more complete view of borrower capability.

HFS serves MSME segments across manufacturing, retail, services and trading, offering financial solutions aligned with the working capital and growth needs of small businesses.

DISTRIBUTION STRENGTH

The Company's distribution model is built on a branch-led, relationship-driven approach that supports deep market reach and consistent customer engagement. With 100% direct sourcing, no intermediaries and decentralized underwriting, credit decisions are guided by on-ground insights and direct interactions.

100%
Direct Sourcing Model

84%
Branches in Tier 3 and Tier 4 Markets

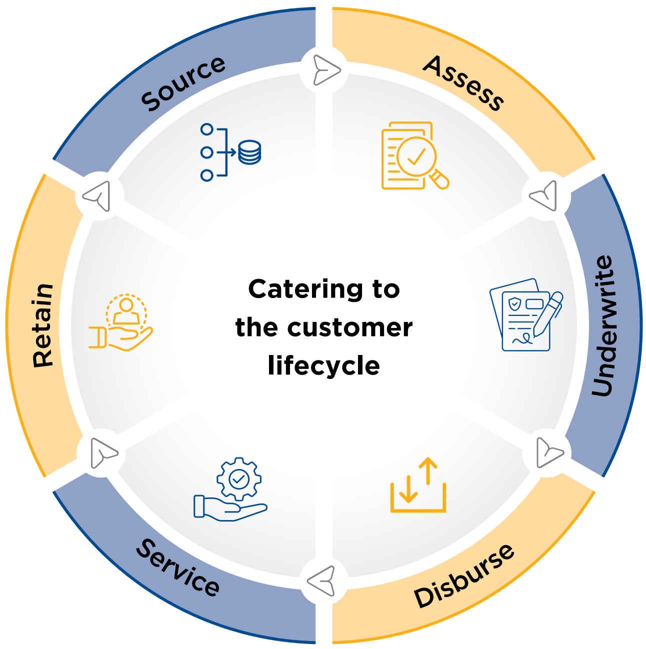
78%
Disbursements from Tier 3 and Tier 4 Markets

Its presence across Tier 3 and Tier 4 markets enables last-mile access to underserved borrowers. Credit decisions are informed by direct interactions, local insight and on-ground business assessment, strengthening sourcing quality as well as portfolio oversight.

CUSTOMER-CENTRIC APPROACH

The Company's customer approach is built on proximity, responsiveness and transparency. Relationship managers and local credit teams engage directly with borrowers to understand business needs, end-use requirements and repayment capacity. Customers are engaged at every stage of the loan lifecycle - from origination through disbursement, servicing and collections - with a dedicated Customer Service team accessible via branch, email and toll-free channels.

Decision-making at the branch and regional levels enables agility and faster turnaround times, while the Company's direct engagement model supports stronger customer understanding, sharper credit assessment and more consistent portfolio outcomes. Technology-enabled tools, including the Account Aggregator framework, CKYC, e-sign agreements and Robotic Process Automation (RPA), among others, further streamline the lending process, reducing turnaround times and improving the overall borrower experience.



Digital tools, including Account Aggregator integration, CKYC, e-sign agreements and RPA, support smoother processing and improved operating efficiency. These tools reduce manual intervention, improve data consistency and enhance the borrower experience.

By combining on-ground understanding with disciplined credit practices and digital enablement, HFS delivers a lending experience that is accessible, efficient and aligned with responsible growth.

Message from the Promoter

> **Our ambition is not simply to build a larger NBFC, but to build an institution that entrepreneurs can rely on for decades.**

Dear Shareholders,

It is a privilege to present the 9th Annual Report of Hiranandani Financial Services (HFS). FY 2025-26 was a year that asked more of us, testing our resilience against a more demanding macroeconomic backdrop while reaffirming the strength of the institution we have built.

Despite an evolving global macroeconomic environment marked by geopolitical uncertainty, the Indian economy continued to stand out as one of the fastest-growing major economies in the world. For MSMEs, the engine of employment and enterprise that we are proud to serve, three structural trends defined the year.

Sustained domestic demand momentum kept order books and cash flows healthy at the grassroots, supporting credit appetite among the small enterprises at the heart of our portfolio. Continued policy support and reforms, from enhancements to credit guarantee schemes to a strengthened Udyam registration framework, widened the formal credit footprint and brought more first-time borrowers into the fold. At the same time, the acceleration of digital financial inclusion reshaped how credit is originated, underwritten, and delivered.

Over the past year, we continued to strengthen our presence across Tier 2 and Tier 3 markets, where we see significant long-term opportunity and meaningful demand for formal credit solutions. Our focus remains on serving small business owners and entrepreneurs who are often underserved by traditional financial institutions but form the backbone of India's economic engine.

As we scale, our priorities remain firmly anchored around disciplined growth, strong asset quality, and long-term sustainability. During the year, we sharpened our focus on strengthening portfolio resilience, recognizing that in a more demanding environment, the durability of the book matters as much as its growth. We tightened our underwriting frameworks, enhanced our risk monitoring systems, and significantly strengthened our collections infrastructure to ensure greater resilience across the portfolio.

Technology continues to be an important enabler of our growth journey. During the year, we further strengthened our digital capabilities, building on our upgraded loan origination system to make every step, from application to disbursement, faster, simpler, and more transparent for our customers. The increasing adoption of digital financial infrastructure across India presents a significant opportunity to expand credit access responsibly and efficiently.

Our people continue to be at the heart of our organization. This year, we deepened our investment in employee capability and training programs aimed at building leadership depth, improving productivity, and strengthening execution capabilities across the organization. These initiatives are helping build stronger execution capabilities across the organization while equipping our teams to better serve customers and grow alongside the institution.

Looking ahead, we remain optimistic about the long-term opportunity within India's secured MSME lending landscape. Our focus in the coming years will remain on expanding our secured lending portfolio, further strengthening governance and risk management frameworks, enhancing our digital lending capabilities, and advancing financial inclusion by reaching underserved entrepreneurs across the country.

At HFS, our objective is not simply growth in scale, but building a resilient, responsible, and institutionally strong financial services platform that creates long-term value for all stakeholders.

I would like to express my sincere gratitude to our customers, employees, lenders, regulators, investors, and partners for their continued trust and support. I also extend my heartfelt appreciation to every member of the HFS team for their commitment, hard work, and belief in our shared vision.

Together, we remain committed to empowering India's entrepreneurs and contributing meaningfully to the country's long-term growth journey.

Warm Regards,

HARSH S. HIRANANDANI
Promoter

Message from the CEO

"Delivering value to our customers and stakeholders with growth that is quality led, returns that are sustainable, and a franchise built to last across credit cycles is the foundation on which we will continue to grow."

Dear Shareholders,

As I reflect on FY 2025-26, I am proud to share that it has been yet another defining year for HFS, marked by significant milestones and a continued commitment to enabling the financial aspirations of small businesses.

Our AUM crossed ₹3,350 Crore by March 31 2026, highlighting a growth of 21% year-on-year. Our secured small business lending portfolio continued to anchor the business. The secured nature of our book backed predominantly by self-occupied residential property remains our most important structural advantage.

FY 2025-26 saw us expand our branch network purposefully, with new touchpoints added in Tier 2 and Tier 3 cities where the credit gap remains significant. Our branch network expanded to 156 locations across 9 states. We continued to broaden our borrowing relationships, deepening our engagement with banks while expanding access to the NCD market and diversifying our lender base. The result is a liability profile that is both cost-efficient and resilient to concentration risk.

Over the past year, we made meaningful investments in technology in service of sharper credit outcomes and better borrower experiences. The introduction of e-Sign into our origination journey has reduced turnaround times and eliminated physical documentation for a significant share of new loans. Our integration with the Account Aggregator framework has strengthened underwriting; enabling consent based access to a borrower's financial data and allowing us to assess cash flows with far greater accuracy, particularly for self-employed customers. We have also invested in deepening our in-house analytical capabilities: more granular early warning models, tighter bureau integration, and improved collections analytics. Technology in our model sharpens human judgment and does not seek to replace it.

The operating environment did not permit complacency. Pockets of overleveraging in the informal borrower segment demanded that lenders everywhere re-visit their credit filters, and we did so decisively. We proactively tightened credit parameters in the early part of the year in response to emerging signals of borrower stress in select micro segments, a decision that required short term restraint but that we believe will protect portfolio quality over the medium term. We also invested well in an in-house collection's unit along with field force, tele-calling unit and in technology to help in improving collections efficiency.

FY 2025-26 also marked a defining milestone in our capital raise journey. We completed our maiden external equity fundraise of ₹800 Crore from Vitruvian Partners, a global investment firm with €20 billion in AUM that backs high-growth companies across the world. The capital will be deployed purposefully, accelerating our reach into underserved Tier 2 and Tier 3 markets, deepening our secured lending capabilities, and funding continued investments in technology and talent. We are proud to have a global partner who shares our conviction in India's MSME credit opportunity, and we welcome Vitruvian to the HFS family.

As we enter FY 2026-27, we do so with cautious optimism. India's economic narrative remains compelling. GDP growth is projected to be upwards of 6.5%, domestic consumption looks resilient, and the government's continued push on infrastructure, housing, and MSME formalization will create tailwinds for institutions like ours. With the distribution franchise we have created the capital support we have, and the team's expertise I am excited about the year ahead for HFS as we look to move into the next stage of growth.

Our priorities for the year ahead are measured AUM expansion, sustained margins, maintaining asset quality, deepening of our distribution footprint, and continued investment in people and technology, all flow from our belief in "Enabling Aspiration, Delivering Value". Every loan we sanction is an act of enabling a small business owner who can finally invest in growth. Delivering value to our customers and stakeholders with growth that is quality led, returns that are sustainable, and a franchise built to last across credit cycles is the foundation on which we will continue to grow.

I would like to thank our employees, none of what we have achieved is possible without the dedication of the people who go out into the field every day and build the relationship with customers we serve. I extend my gratitude to the Board of Directors for their continued guidance and support at every step of the journey and to our customers for their trust and patronage. Our journey so far has been remarkable, and I believe the best is truly yet to come.

Warm Regards,

UDAY SUVARNA
Chief Executive Officer

Technology and Digital Enablement

Powering Efficiency. Accuracy. Seamless Experiences.

The Company uses technology to strengthen the way it sources, verifies, processes and services loans across the customer lifecycle. Through the integration of digital tools, automation and data-led systems, it continues to build an operating model that is faster, more consistent and easier to scale.

Technology adoption also supports stronger risk oversight, faster decision-making and improved service reliability. Ongoing investments in digital infrastructure reflect the Company's focus on operational consistency while improving speed, accuracy, control and customer experience.

DIGITAL ENABLEMENT ACROSS THE LENDING LIFECYCLE

Source
RM assisted digital lead

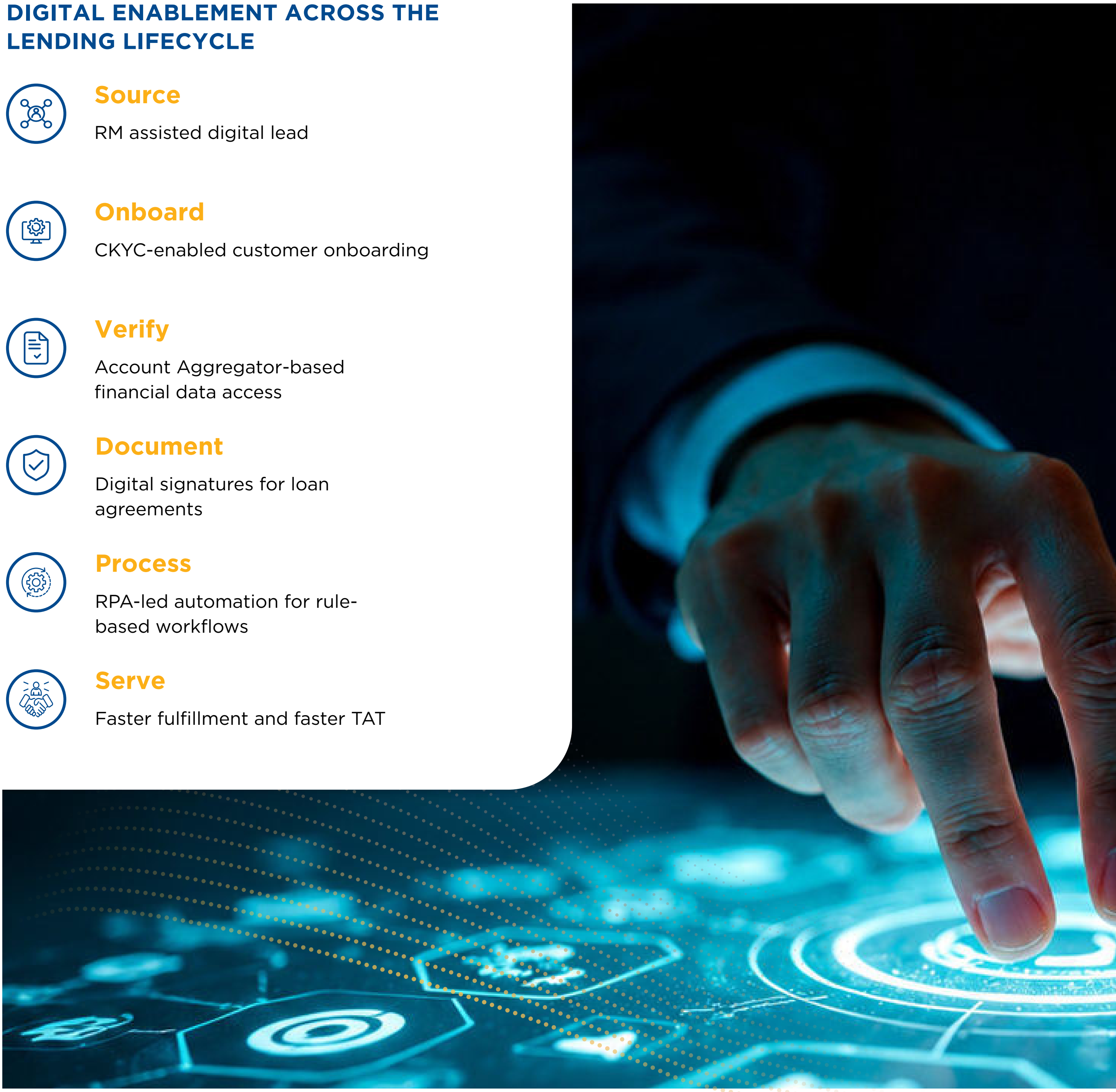
Onboard
CKYC-enabled customer onboarding

Verify
Account Aggregator-based financial data access

Document
Digital signatures for loan agreements

Process
RPA-led automation for rule-based workflows

Serve
Faster fulfillment and faster TAT



KEY DIGITAL TRANSFORMATION INITIATIVES

01 ACCOUNT AGGREGATOR INTEGRATION

The implementation of the Account Aggregator framework enabled seamless, consent-based digital access to customers' financial data. This eliminated dependency on physical documents and manual data collection, creating a fully digital and secure data-sharing ecosystem.

Value Delivered:

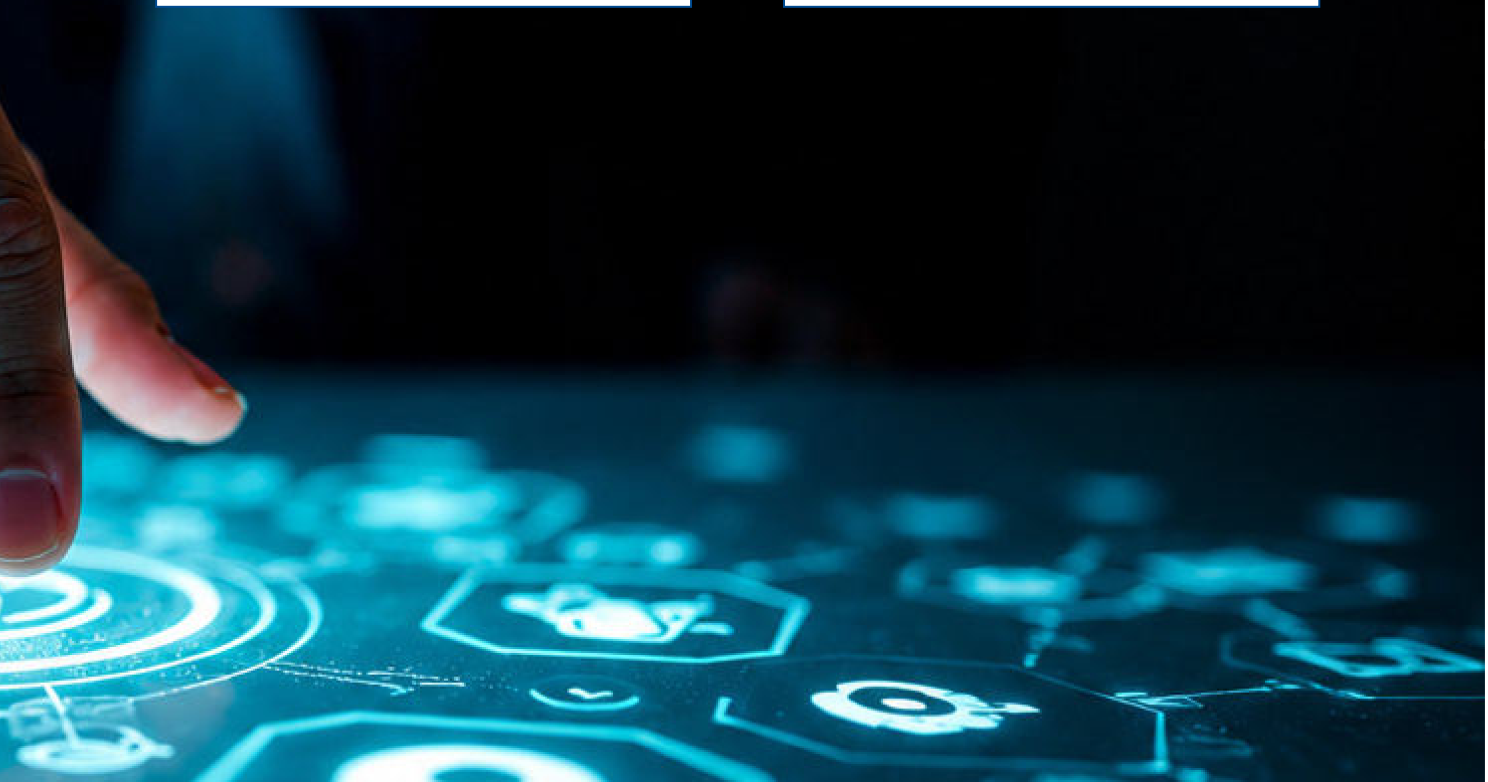
- Faster access to verified financial information
- Reduced reliance on physical documentation
- Improved accuracy and consistency in data verification
- Enhanced customer confidence through transparent consent-led access

02 CUSTOMER ONBOARDING THROUGH CKYC

CKYC integration enabled end-to-end digital onboarding by leveraging centralized KYC records. This removed repetitive KYC submissions, reduced physical documentation, and significantly improved onboarding efficiency.

Value Delivered:

- Faster onboarding timelines
- Reduced paperwork and duplication
- Standardized customer data retrieval
- Improved convenience and overall customer satisfaction



03 CUSTOMER DIGITAL SIGNATURE IN LOAN AGREEMENTS

The introduction of digital signatures has transformed the loan agreement process into a fully paperless workflow. Agreements can now be executed electronically through secure authentication mechanisms, without the need for physical presence or courier movement.

Value Delivered:

- Faster agreement execution and disbursement readiness
- Seamless anytime-anywhere signing experience
- Lower administrative and storage overheads
- Better auditability and process tracking

04 ROBOTIC PROCESS AUTOMATION(RPA)INITIATIVES

Multiple manual and rule-based processes across operations, risk, credit, reconciliations, validations, and reporting were digitised using RPA solutions. This significantly reduced human dependency while ensuring standardised execution of repetitive workflows.

Value Delivered:

- Faster completion of operational activities
- Improved productivity through automation of routine tasks
- Reduced manual errors and stronger process control
- Greater scalability without proportional manpower increase

LOAN LIFECYCLE MANAGEMENT

Post-disbursement, the ERP system provides a centralized view of portfolio performance across branches, geographies, and segments. Customer service queries are logged and tracked against defined resolution timelines, creating accountability for service standards across the organization.

OUTCOMES DELIVERED ACROSS THE ORGANIZATION

FASTER TAT

Quicker onboarding, verification, documentation and processing

HIGHER ACCURACY

Improved data consistency and reduced manual errors

STRONGER CONTROLS

Better auditability, process tracking and standardized execution

LOWER MANUAL DEPENDENCY

Automation of repetitive and rule-based activities

IMPROVED EXPERIENCE

Simpler journeys, reduced paperwork and faster fulfillment

Together, these initiatives are helping HFS build a stronger digital backbone, one that supports higher volumes, faster response times, improved process reliability and a smoother borrower experience.

Geographical Presence

Supporting Enterprise. Enabling Progress.

At HFS, the lending approach is shaped by a clear understanding of where India's small businesses operate and what they need to grow. The Company focuses on delivering credit solutions that are relevant, accessible and aligned with the day-to-day requirements of small enterprises across underserved markets.

Whether it is the purchase of equipment or machinery, business expansion, working capital management, or upgrading an existing setup, HFS designs its offerings to support practical business needs with clarity and ease.

From local retailers and service providers to small-scale manufacturers and regional traders, HFS works with a wide range of enterprises. By combining operational agility with strong local insights, the Company continues to bridge the credit gap in underserved markets.

Its presence across nine states enables HFS to operate closer to customers, understand local business realities and support entrepreneurs through a branch-led, relationship-driven model. This geographical depth is central to its ability to serve customers with speed, relevance and accountability.

EXPANDING REACH, STRENGTHENING IMPACT

Andhra Pradesh and Telangana together account for 68 of the 156 branches, reflecting the depth of HFS's original market penetration in South India and the maturity of those franchises. Karnataka and Maharashtra, each with 18 branches, represent strong but still-developing platforms where the Company sees significant room for deeper geographic penetration. The newer state entries like Uttar Pradesh and Madhya Pradesh along with Rajasthan, and Gujarat are earlier in the branch density curve, with lower per-state branch counts that will be grown systematically as local market understanding deepens.

The hub-and-spoke expansion model ensures that each new branch is opened within the supervisory reach of an established branch network. This is not merely an operational convenience; it is the mechanism through which HFS's underwriting culture, local market knowledge, and credit standards are transferred to new geographies without dilution.

LOAN OFFERINGS

Each product is structured with flexibility and transparency, enabling enterprises to access financing that supports both immediate operational needs and long-term business growth.

BUSINESS LOANS

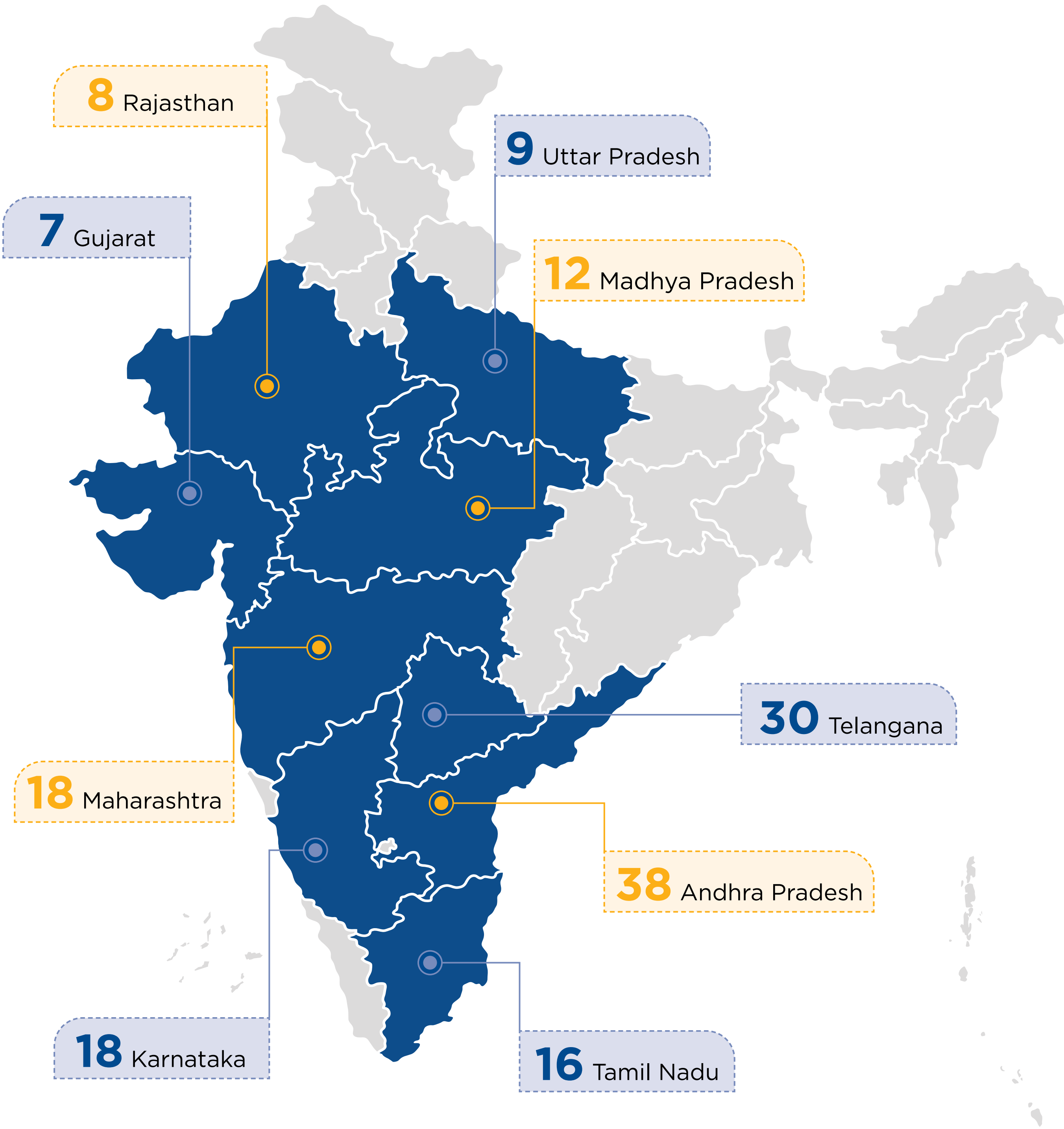

WORKING CAPITAL LOANS


MSME LOANS


COMMERCIAL PROPERTY LOANS

OPERATIONAL FOOTPRINT

States of Presence



156 Branches across India

Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Product Portfolio

From Need to Solution

Hiranandani Financial Services (HFS) offers lending solutions designed to address the growth, expansion, and operational needs of small and medium enterprises (MSMEs). The Company operates a secured lending approach, enabling collateral-backed financing that supports disciplined lending while meeting the requirements of underserved businesses. The product suite is structured across key business use cases, ensuring that enterprises can access relevant financing aligned with their stage of growth and cash flow needs.

BUSINESS LOANS

Business Loans are designed to support a wide range of growth and expansion requirements. These include hiring additional workforce, upgrading business premises, opening new branches, refinancing existing debt, and investing in machinery or infrastructure.

Target Segment:

Small business owners, traders, and service providers seeking funding for expansion and capacity building.

WORKING CAPITAL LOANS

Working Capital Loans address the day-to-day operational needs of businesses, enabling them to manage inventory, procure raw materials, pay salaries and overheads, and fulfil new or seasonal demand.

Target Segment:

Retailers, distributors, manufacturers, and service enterprises requiring liquidity to maintain operational continuity.

MSME LOANS

MSME Loans are structured to support investment in equipment and machinery, helping businesses upgrade technology, improve productivity, and enhance output quality. These loans also support business requirements linked to production cycles and order fulfilment.

Target Segment:

Small enterprises in manufacturing, services, and trading sectors, particularly those seeking to modernize operations and improve efficiency.

COMMERCIAL PROPERTY LOANS

Commercial Property Loans enable businesses to expand their physical footprint through the acquisition or development of commercial spaces such as offices, shops, and business premises.

Target Segment:

Established businesses and self-employed professionals looking to invest in commercial assets and expand their market presence.

INSURANCE: A SUPPLEMENTARY LAYER OF PROTECTION

HFS offers credit life insurance as a supplementary product at the time of loan disbursement. This coverage protects the borrower's family from the obligation to repay in the event of the borrower's death and protects HFS from the credit loss that would otherwise result.

KEY FEATURES ACROSS THE PORTFOLIO

The Company's lending solutions are built on a consistent framework that ensures flexibility, transparency, and ease of access:

SECURED FINANCING

Collateral-backed loans offered against the market value of the property, subject to Company's internal underwriting norms

GRANULAR TICKET SIZE

Average loan size of around ₹10 Lakhs

FLEXIBLE TENURE

Repayment options aligned with customer requirements and business cash flows

DOORSTEP ENGAGEMENT

Relationship manager-led documentation and customer support

PROCESSING EFFICIENCY

Simple process across eligibility assessment, document collection and disbursal post approval

POSITIONING STRENGTH

By anchoring its portfolio in secured lending and structuring products around real business use cases, HFS delivers relevant and accessible financing solutions. This approach enables the Company to support enterprises across different stages of growth while maintaining a disciplined and consistent lending framework.

Journey and Milestones

A Journey Fueled by Purpose and Progress

Since receiving its NBFC license in 2018, HFS has grown steadily and without detours, adding branch coverage, borrower depth, and balance sheet strength year by year in proportion to the market opportunity it was ready to serve.

FOCUSED LENDING MODEL

FY 2018-19

- NBFC License received in June 2018
- Set up teams, developed technology stack, formulated processes and policies

FY 2019-20

- Launched secured business loans
- Commenced branch operations in Maharashtra and Gujarat

FY 2020-21

- Expanded into South India with branches in Andhra Pradesh
- Achieved AUM of ₹180 Crore

FY 2021-22

- Expanded network to 50 branches with presence in 4 new states
- Expanded southern presence with entry into Karnataka, Telangana, and Tamil Nadu
- Crossed ₹400 Crore in AUM

FY 2022-23

- Received debut Credit Rating of A (Stable) from CRISIL in May 2022
- Leveraged balance sheet and commenced borrowing journey
- Crossed ₹1,000 Crore in AUM and ₹500 Crore in net worth

FY 2023-24

- Expanded network to 100+ branches across 9 states
- Crossed ₹1,900 Crore in AUM
- Expanded liability franchise with 29 marquee lenders
- Received equity infusion of ₹200 Crore in March 2024; net worth crossed ₹740 Crore

FY 2024-25

- Crossed ₹2,700 Crore in AUM
- Network expanded to 129 branches across 9 states
- Credit rating upgraded to A+ by CARE and CRISIL
- Strengthened liability profile with maiden NCD issuance and listing on the BSE and first co-lending partnership in September 2024
- Net worth at ₹870 Crore

FY 2025-26

- AUM scaled to ₹3,351 Crore, reflecting continued growth momentum
- Network expanded to 156 branches, strengthening presence across Tier II and Tier III markets
- Successfully raised ₹800 Crore through maiden private equity funding
- Introduced digital-assisted onboarding capabilities such as CKYC, account aggregator and e-sign to enhance customer experience and efficiency

Navigating a Dynamic Landscape

As India advances toward a USD 5 trillion economy, the NBFC sector continues to play a pivotal role in expanding credit access across underserved segments. Supported by strong credit demand and digital infrastructure, the sector is driving financial inclusion while balancing growth with regulatory discipline and resilience amid evolving macroeconomic conditions.

RESILIENT FUNDAMENTALS AND DOMESTIC DEMAND

India's macroeconomic environment remained resilient in FY 2025-26, supported by strong domestic demand, sustained infrastructure spending, and continued economic formalization. GDP growth stood at 7.6%, reaffirming India's position among the world's fastest-growing major economies. At the same time, headline CPI inflation averaged approximately 1.7% between April and December, aided by moderating food prices and stable global commodity trends.

OUR RESPONSE

The stable macroeconomic environment, moderate inflation, and supportive monetary conditions are expected to accelerate credit demand across Tier 2-4 cities. This creates a favorable opportunity for HFS to further strengthen its presence in underserved markets and expand access to affordable, timely credit for small enterprises that play a vital role in India's economic growth.

INTEREST RATE AND LIQUIDITY CONDITIONS

FY 2025-26 witnessed improving liquidity conditions and a more supportive monetary environment in India. The Reserve Bank of India's cumulative 125 basis point (100 basis points in FY 2025-26) reduction in the repo rate to 5.25% by February 2026 helped ease funding costs and improve credit affordability across retail and MSME segments. At the same time, access to diversified funding sources, including banks, capital markets, and institutional lenders, remained critical in supporting lending growth, maintaining spreads, and enhancing balance sheet flexibility.

OUR RESPONSE

The improving liquidity environment and softer interest rate cycle are expected to create a favorable backdrop for lending institutions. For HFS, this enhances the ability to scale disbursements efficiently, optimize borrowing costs, and deepen financial inclusion by delivering customized credit solutions to underserved and emerging borrower segments. However, impact of the heightened geopolitical tensions in West Asia remains fluid and warrants close monitoring.

DIGITAL LENDING

The rapid pace of digital adoption is transforming India's MSME ecosystem, making technology integration increasingly essential for growth and competitiveness. Driven by widespread smartphone penetration and the expanding use of UPI-based transactions, over 90% of Indian MSMEs now accept digital payments, while nearly 67% are digitally equipped. This accelerating shift toward digital platforms is improving operational efficiency, enhancing business capabilities, and strengthening financial inclusion across the sector.

OUR RESPONSE

In line with the growing shift toward digital-first financial services, HFS continued to enhance its technology capabilities and automate key lending processes. Improved system integration and reduced manual intervention enabled faster turnaround times, with the Company targeting loan decisioning within five days. These digital investments strengthened operational efficiency, supported scalable growth, and enhanced the overall customer experience.

MSME CREDIT DEMAND

India's MSME sector continues to witness strong credit demand momentum, with consolidated credit outstanding reaching approximately ₹67.6 Lakh Crore by December 2025, reflecting a healthy year-on-year growth of around 16%. While formal credit penetration among Udyam-registered MSMEs has improved to nearly 47%, a significant credit gap still persists, with an estimated ₹80 Lakh Crore, nearly 56% of total demand, remaining underserved, highlighting the substantial opportunity for lenders focused on financial inclusion.

(Source: https://www.sidbi.in/msme-pulse?utm)

OUR RESPONSE

As MSMEs continue to scale their growth ambitions, the demand for reliable and flexible financing solutions is expected to rise steadily. Recognizing this opportunity, HFS expanded its regional presence and strengthened its customer engagement model by offering tailored financial solutions through a relationship-driven and high-touch approach.

GOVERNMENT'S POLICY FOCUS

The RBI's evolving regulatory framework has fundamentally strengthened the NBFC sector by institutionalizing higher governance standards, responsible lending practices, and enhanced borrower protections. This shift has transitioned the industry toward a more stable and transparent ecosystem, fostering long-term stakeholder confidence. To further catalyze growth in the MSME segment, the year saw a series of strategic interventions, including updated Priority Sector Lending (PSL) norms and the streamlining of credit guarantee mechanisms. A significant highlight has been the renewed regulatory impetus for co-lending models, which allows NBFCs to marry their last-mile reach with the liquidity of the banking sector.

OUR RESPONSE

The rising scale and formalization of India's MSME sector are creating increasing demand for customized and dependable financing solutions. Leveraging this opportunity, HFS continued to deepen its presence across key markets, combining local market understanding with a relationship-centric approach to deliver responsive and need-based financial support to emerging enterprises.

Value Creation Model

From Inputs to Outcomes

Every resource at HFS is transformed into meaningful impact. Through capital strength, people, technology, infrastructure, and community partnerships, the Company converts inputs into growth, inclusion, efficiency, and lasting stakeholder value.

Inputs

Financial Capital

₹1,757 Crore

Net Worth

Distribution

156

Branches

9

States Covered

Operational Excellence

- CKYC
- Account Aggregator integration
- Strengthened data protection aligned with RBI guidelines

Advancing Digital Capabilities

- Digital documentation and e-sign agreement
- Paperless onboarding
- Robotic Process Automation (RPA)
- E-statements and digital communication

Human Capital

- Total Workforce: 2,120
- Training Hours: 12,766 Hrs
- Employee wellness and engagement initiatives

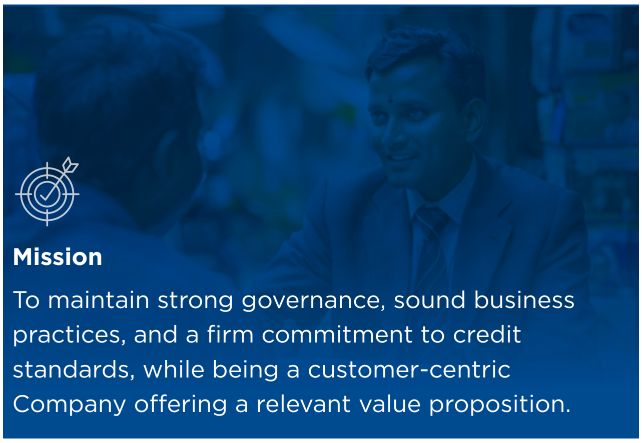
Social & Relationship Capital

- CSR Expenditure: ₹110 Lakhs
- CSR Focus Areas: Financial literacy, healthcare, women empowerment, skilling, education
- Community engagement initiatives

Value Creation Process

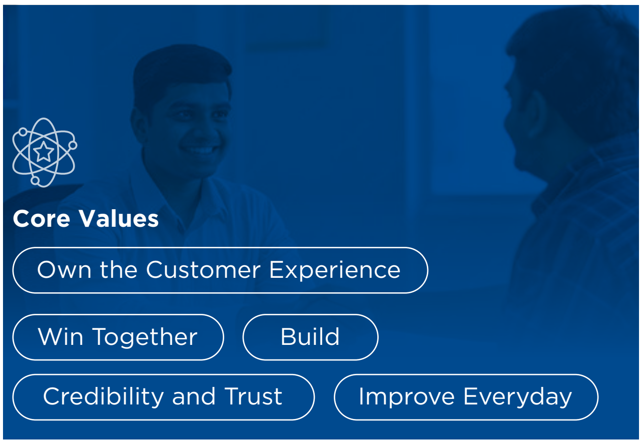
Vision

We aim to be the preferred financial partner for the small enterprises of India.



Mission

To maintain strong governance, sound business practices, and a firm commitment to credit standards, while being a customer-centric Company offering a relevant value proposition.



Core Values

- Own the Customer Experience
- Win Together
- Build
- Credibility and Trust
- Improve Everyday

THE PRINCIPLE BEHIND OUR ENGAGEMENT

HFS' stakeholder engagement is not a compliance function. It is the mechanism through which the Company learns what it needs to know to make good decisions. Customers tell us whether our products are right-sized and fairly priced. Employees tell us whether our processes are workable and our culture is consistent with our values. Lenders tell us whether our portfolio is credibly managed and transparently reported. Regulators tell us whether our conduct meets the standards the system requires. Each of these inputs shapes how we run the business.

Outcomes	SDGs Impacted
₹584 Crore Revenue **₹95 Crore** PAT **₹3,351 Crore** AUM **₹1,124 Crore** Loans Disbursed	2 Zero Hunger; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
33,000+ Customer Base Deeper penetration in underserved geographies	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
• Faster loan approvals • Improved access to formal credit • Enhanced operational efficiency	3 Good Health and Well-Being; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
• Reduced paper usage • Lower energy consumption • Improved environmental footprint	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land
• High productivity and performance driven culture **88** Great Place to Work-Certified (Nov 2025-Nov 2026); Trust Index Score	3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth
485 Lives impacted **5 Cities** Reach Strengthened community trust	1 No Poverty; 2 Zero Hunger; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

Stakeholder Engagement

Trust. Engagement. Progress.

At HFS, stakeholder engagement continues to be embedded in the Company's approach to building long-term relationships and delivering consistent outcomes across its operating ecosystem. Every interaction is seen as an opportunity to strengthen trust, improve transparency, and support shared progress.

The Company maintains continuous, high-touch engagement with customers and local entrepreneurs through its expanding branch network and dedicated relationship managers. These interactions extend beyond transactions, evolving into long-term relationships aligned with customer growth journeys. Structured feedback mechanisms, regular in-person visits, and digitally enabled platforms enable the Company to respond effectively to changing business requirements.

Stakeholder Engagement Framework

Stakeholder Group	Engagement Frequency	Mode of Engagement	How It Supports Value Creation
Customers	Continuous	In-person interactions, digital platforms, service feedback, relationship managers	Enables tailored solutions, strengthens trust, improves retention, and supports organic growth through referrals
Employees	Regular	Learning and development programs, open forums, performance reviews, rewards and recognition, internal communication platforms	Supports a performance-driven culture aligned with ownership, collaboration, and customer focus
Lenders	Periodic	Financial disclosures, lender interactions, audit reviews	Strengthens confidence in the Company's fundamentals and supports stable access to funding
Shareholders and Investors	Periodic	Board updates, investor interactions, financial statements, annual reports	Supports transparency, aligns strategic direction, and reinforces long-term value creation
Regulatory	Regular	Compliance submissions, inspections, dialogue with regulators	Strengthens compliance with all regulatory and licensing requirements while reinforcing ethics and governance

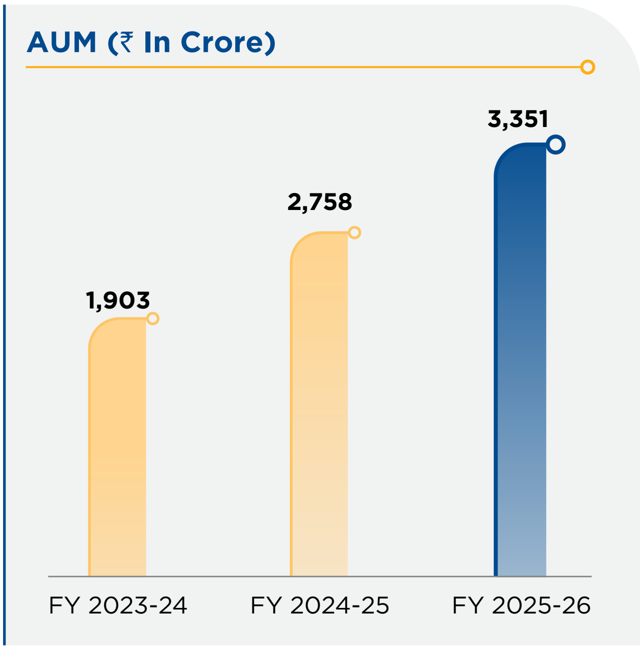
Financial Highlights

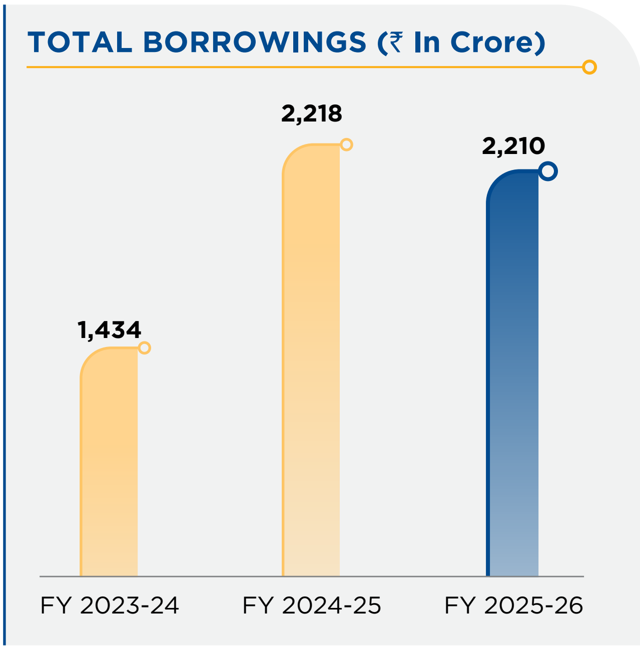
Measured Growth. Meaningful Impact.

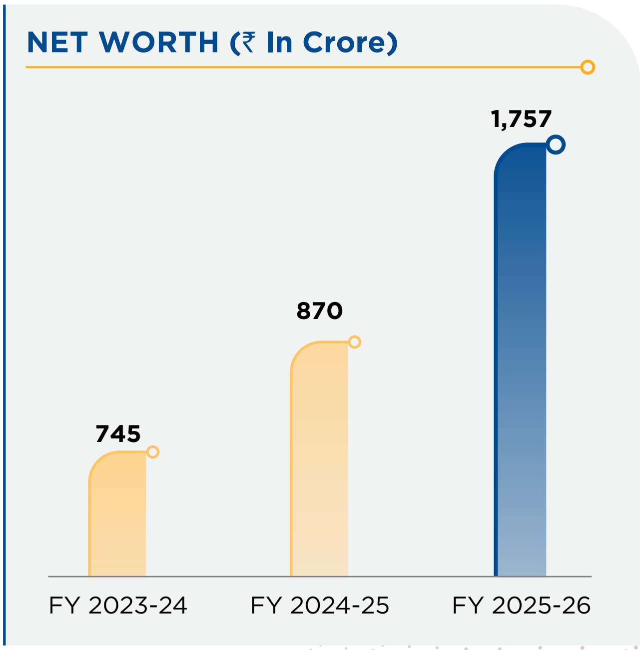
FY 2025-26 marked a year of steady and disciplined growth for HFS, as the Company navigated a moderating credit environment with a clear focus on quality and sustainability. The Company delivered a 21% growth in AUM, reaching ₹3,351 Crore, driven by its continued emphasis on secured lending.

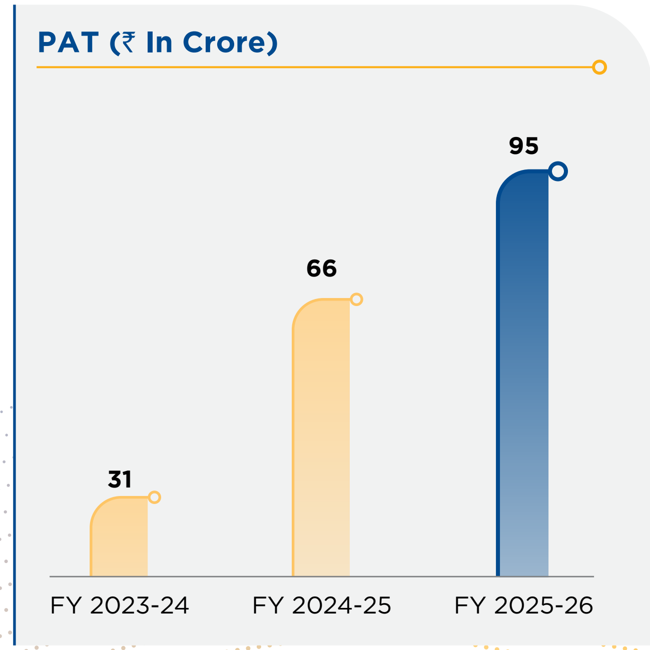
HFS strengthened its technology-led operating model, enabling faster underwriting, improved decision-making, and greater efficiency across sourcing, servicing, and collections. These enhancements supported higher volumes while maintaining strong credit discipline and operational consistency.

A defining milestone was the successful ₹800 Crore private equity raise, which strengthened the Company's capital base and enhanced its ability to pursue the next phase of growth with greater resilience and confidence.









ESG, People, Community and Governance

Responsible Growth. Shared Success.

At HFS, growth is viewed through the quality of relationships built, the communities supported and the governance principles that guide every decision. As a branch-led financial services institution serving small enterprises across underserved markets, HFS depends deeply on people: employees who understand local realities, customers who seek relevant credit solutions, communities that benefit from livelihood opportunities, and stakeholders who place trust in the Company's long-term conduct.

During FY 2025-26, HFS took a formal step in this direction with the adoption of its Environmental, Social and Governance (ESG) Policy by the Board of Directors on January 2026. This marks the beginning of a more structured ESG journey for the Company, with initial focus areas covering environmental stewardship, employee well-being, customer protection and responsible business practices. Foundational KPIs are being identified across energy consumption, employee ethics and code of conduct, training, Board mix, and inclusivity in lending to women borrowers and co-borrowers.

ESG PILLAR & KEY FOCUS AREAS AS ESG FOUNDATION

Environmental

Resource & Energy Efficiency

Waste & Environmental

Social

Talent Development

Employee Well-being

Customer Responsibility

Governance

Transparency & Accountability

This foundation reflects HFS' approach to embedding responsible practices gradually and meaningfully across the organization, while building the processes required for strong monitoring and reporting over time.

ENVIRONMENTAL RESPONSIBILITY

For HFS, environmental responsibility is supported by its digital-first D2C operating model, which enhances efficiency, streamlines processes, and reduces resource intensity. The Company's digital initiatives, including Account Aggregator integration, CKYC-enabled onboarding, e-sign agreements and Robotic Process Automation (RPA), have reduced reliance on physical documentation and manual workflows across the lending lifecycle.

The move toward digital loan agreements and consent-based financial data access has helped minimise repetitive documentation, physical handling of papers and manual verification. RPA-led automation across operations, credit, risk and reporting has also supported greater standardization and reduced dependence on printed reports and physical filing.

Digitization as an Environmental Lever

By reducing physical paperwork, manual documentation and repetitive process movement, digital enablement at HFS is to boost efficiency and expand customer engagement digitally.

PEOPLE AND CULTURE

A successful lending business is ultimately a people-led business. The quality of customer engagement, credit assessment and collections discipline depends on employees who understand local markets, customer realities and the principles of responsible lending. Accordingly, HFS continues to invest in talent as a core growth enabler.

The Company's talent strategy focuses on ownership, learning, engagement and performance enablement. Structured induction, New Joinee Connect, 90-day refreshers and leadership interactions help employees align early with the Company's expectations and culture. Performance improvement initiatives such as Avasar support employees in strengthening outcomes over time, while recognition platforms such as Shining Star, Exemplar Award and Culture Champion reinforce a culture where effort, HFS values and excellence are acknowledged.

Capability building remains a key priority, especially for frontline teams that engage directly with customers in semi-urban and rural markets. The Company places emphasis on structured induction, functional and soft-skill training, credit team shadowing, refresher courses and self-paced learning. For new field officers, credit shadowing helps build a better understanding of how customer businesses are assessed, improving sourcing quality and supporting better portfolio outcomes.

PEOPLE DEVELOPMENT ARCHITECTURE

Induct

Structured onboarding, Steps to Success online induction program and FOS induction and 90-day refreshers

Enable

Functional training, credit shadowing and role-based learning

Improve

Avasar and performance support programmes

Recognise

Shining Star, Culture Champion, Exemplar Award and performance-led rewards

Engage

Connect Over Coffee, HR Empower Hour and leadership connects

LEADERSHIP DEVELOPMENT

Leadership development is being approached through a combination of internal capability building and structured succession planning. HFS has previously run the HFS LEAD programme, an immersive learning journey with workshops, coaching and capstone projects. Critical roles are periodically assessed, and high-potential employees are identified for future responsibilities through mentoring and targeted development.

The Company is also preparing its workforce for a more digital and data-led environment. A Digital Transformation Team has been set up to support process automation and adoption of digital and AI-based tools across workflows. In addition, HFS aligned its campus hiring strategy to strengthen analytics capabilities by attracting talent with specialized data science and analytical expertise. The Company continued to strengthen its human capital through focused talent development, upskilling and capability enhancement across key functions.

EMPLOYEE ENGAGEMENT

Employee engagement is supported through multiple forums and activities that help build connection across a growing branch network. Initiatives such as Connect Over Coffee, HR Empower Hour, wellness sessions, celebration events, employee recognition platforms, internal community building platform – Hangout and quarterly newsletter such as PULSE create opportunities for dialogue, participation and cultural alignment. The broader engagement calendar during the year included health and wellness activities, blood donation, festive celebrations, women-focused sessions, collection drives and employee-led contests.

HFS' people practices are reflected in its Great Place to Work certification for November 2025 to November 2026. The GPTW survey saw participation from 1,515 employees, representing 95.4% participation, compared with 925 participants and 68% participation in the previous year. The Trust Index score improved from 82 to 88, with progress across all five dimensions: Credibility, Respect, Pride, Camaraderie and Fairness.

GREAT PLACE TO WORK

88
Trust Index Score

5/5
Trust Dimensions Improved

CSR AND SOCIAL IMPACT

HFS' CSR initiatives in FY 2025-26 focused on economic empowerment of women and youth through skill development, entrepreneurship and livelihood support. The Company worked with two implementation partners during the year, each addressing a distinct need within underserved communities.

Through its partnership with Ambuja Foundation, in collaboration with the Skill and Entrepreneurship Development Institute, HFS supported vocational training for youth across Nagaur in Rajasthan and Surat in Gujarat. The program covered trades such as Assistant Electrician, Sewing Machine Operator, Assembly Operator for Refrigerator and AC, and General Duty Assistant. Against a target of 200, the initiative trained 202 individuals. Of these, 159 participants were successfully placed, representing a placement rate of 79%.

In partnership with United Way Mumbai, HFS supported the Saksham program across Hyderabad, Vijayawada and Visakhapatnam. Under this program, 256 women were enrolled in Entrepreneurship Development Program training. All women received customised Saksham Kits, enabling them to start or strengthen small enterprises across activities such as beauty parlor services, tailoring, flour mill operations, fruit and vegetable vending, ironing services, kirana shops and other retail businesses.

These initiatives reflect the Company's social impact approach: enabling beneficiaries with skills, tools and opportunities that can support sustainable livelihoods. By focusing on employability and grassroots entrepreneurship, HFS is contributing to economic resilience among youth, women and vulnerable communities.

GOVERNANCE

Governance at HFS is anchored in Board oversight, defined policies, disciplined operating practices and a culture of accountability. The Company's governance framework supports responsible growth by aligning business decisions with risk management, regulatory compliance, customer protection and long-term value creation.

The governance structure is led by the Board of Directors. They provide strategic direction and oversight on ESG priorities, regulatory compliance and sustainable growth. Senior management and key functions, including the Risk Management Committee and Compliance function, support consistent implementation of governance practices across the organization.

Ethical conduct is reinforced through policies, standards of behaviour and system-driven controls that support transparency, accountability and long-term institutional sustainability.

Board Oversight

Strategic direction and responsible growth

Compliance Discipline

Regulatory alignment and policy adherence

Customer Protection

Grievance redressal and responsible lending practices

Risk Governance

Credit, portfolio and operational risk review

Ethical Conduct

Code of conduct, employee ethics and accountability

Together, the Company's people practices, CSR initiatives, ESG policy and governance framework reflect a clear direction: to build an institution that grows responsibly, serves meaningfully and creates value beyond lending.

Leadership Team

Leaders behind Execution Excellence

A strong execution engine is powered by experienced leaders across operations, people, compliance, credit, treasury, technology, collections, and governance. Together, they translate strategy into disciplined growth, efficiency, and sustainable value creation.

MR. UDAY SUVARNA
Chief Executive Officer

HDFC BANK | IndusInd Bank | GE Money

MR. KARTIK NAGDA
Chief Business Officer

HDFC BANK | GE Money | NAVNEET

MR. RAJESH RAJAK
Chief Financial Officer

HDFC BANK | EY

MR. MANISH ODEKA
Chief Risk Officer

ICICI Bank | Fullerton India | RELIANCE Capital

MR. DHEERAJ MITTAL
Chief Operating Officer

HDFC BANK | IDFC FIRST Bank | GE Money

MR. SURESH MEHRA
Chief Human Resources Officer

AXIS BANK

MR. HEMANSHU PAREKH
Head – Credit Underwriting

HDFC BANK

The Board of Directors

Providing strategic guidance and robust governance to drive sustainable growth, innovation, and long-term value creation.

MR. HARSH HIRANANDANI
Promoter and Director

MS. NEHA HIRANANDANI
Promoter and Director

MR. KARTIKEYA KAJI
Nominee Director

MR. UTPAL SHETH
Independent Director

MR. ANIL KAUL
Independent Director

MR. PREM KUMAR CHOPHLA
Independent Director

Risk Management

Disciplined Risk. Resilient Growth.

As the Company enters FY 2026-27, it remains focused on balance sheet strength, asset quality, disciplined risk-taking, and calibrated growth. Backed by stringent underwriting, proactive monitoring, regular stress testing, and robust risk controls, the Company continues to operate within its defined risk appetite while delivering consistent risk outcomes.

The Company's risk approach is anchored in balance sheet strength, disciplined risk-taking, and consistency in outcomes. Amid evolving borrower behaviour, changing interest rate dynamics, and selective sectoral stress, it remains focused on asset quality, funding stability, and calibrated growth. This approach strengthens resilience to volatility while safeguarding stakeholder interests.

ASSET QUALITY AND PORTFOLIO RESILIENCE

The Company's calibrated transition toward secured lending has strengthened asset quality, portfolio stability, and loss containment. Backed by stronger collateral coverage, disciplined underwriting, and enhanced monitoring, delinquency trends have become more predictable, while recovery outcomes have improved. Across borrower segments, salaried customers exhibit stable repayment behaviour, while self-employed and informal segments remain within risk expectations due to conservative credit filters and proactive risk monitoring. Overall, the portfolio reflects improved resilience, risk dispersion, and prudent risk selection.

1 Data-driven Underwriting

- **Alternate Data**

  The Company continues to evaluate alternative data sources to enhance credit assessment, strengthen risk insights, and support informed lending decisions.

- **AI/ML Models**

  The Company is assessing AI and ML-based applications to improve underwriting accuracy, consistency, and efficiency, particularly in credit evaluation and decision-making processes.

- **Account Aggregator Framework**

  The implementation of the Account Aggregator framework enables secure, consent-based access to verified financial data, improving income assessment, reducing reliance on physical documentation, and enhancing underwriting reliability.

Together, these initiatives are strengthening data-driven decision-making, improving customer experience, and supporting prudent portfolio growth.

2 Fraud and Cybersecurity

- **Fraud Detection**

  System-based checks, digital verification tools, exception monitoring, and investigation protocols support early identification and mitigation of fraud risks.

- **Cybersecurity**

  Robust information security controls, access management, system monitoring, and incident response measures help safeguard data and strengthen operational resilience.

These controls support secure operations and reinforce stakeholder confidence in an increasingly digital environment.

3 Emerging Risk Landscape

- **Credit Risk**

  Evolving borrower cash flows, interest rate movements, along with uneven economic growth, may create selective stress across certain segments and geographies. The Company mitigates this through prudent underwriting, portfolio diversification, proactive monitoring, and early warning mechanisms.

- **Liquidity Risk**

  Volatility in funding markets and changes in lender risk appetite could impact liquidity conditions. To address this, the Company maintains a strong Asset Liability Management framework, diversified funding sources, adequate liquidity buffers, and regular stress testing.

- **Regulatory Risk**

  An evolving regulatory environment may lead to enhanced compliance, governance, and capital requirements. The Company manages this through continuous regulatory monitoring, timely policy alignment, and robust compliance oversight.

Through proactive risk management and continuous monitoring, the Company remains well positioned to navigate emerging challenges while sustaining portfolio resilience and supporting long-term growth.

Client Testimony

Stories of Growth Powered by Trust

Our clients' success reflects the impact of timely financial support and trusted partnerships. These testimonials highlight how our financing solutions have empowered entrepreneurs across diverse sectors to strengthen their businesses and achieve sustainable growth.

Name: Akash Lakshman Bhilare
Location: Satara, Maharashtra
Business: Grocery Store/Kirana

Story:

The timely financial assistance enabled me to expand my Kirana business by ensuring adequate inventory levels and meeting growing customer demand without disruption. With improved working capital support, I was able to stock a wider range of essential products, serve customers more consistently, and manage seasonal demand more effectively. As the business grew, it strengthened long-term relationships with local wholesalers, distributors, and suppliers, creating a steady flow of business across our retail value chain. The support has not only enhanced the efficiency and stability of my store operations but has also contributed to the growth of the broader network of businesses connected to retail.

Name: Shaitan Shekhawat
Location: Sikar, Rajasthan
Business: Ceramic Tiles and Sanitaryware

Story:

The efficient loan process provided us with the financial flexibility to strengthen and expand our ceramic tiles and sanitaryware business. With access to timely funding, we were able to cater to larger project requirements, maintain a diverse product portfolio, and ensure the seamless availability of materials for ongoing construction and renovation activities. This enhanced capability has enabled us to build stronger relationships with builders, contractors, architects, and channel partners who rely on dependable supplies to meet project timelines. Beyond supporting our own growth, the assistance has contributed to greater business opportunities across the construction ecosystem, fostering collaboration and value creation throughout the supply chain.

Name: Pallapotu Satyakishore
Location: Guntur, Andhra Pradesh
Business: Medical Retail Outlet

Story:

The approved facility has helped us strengthen our operations as a medical retail outlet, ensuring the consistent availability of critical medicines, wellness products, and healthcare essentials to meet the needs of our customers. This support has not only enhanced access to healthcare products within the community but has also generated sustained business for pharmaceutical suppliers, distributors, and logistics partners, creating a positive impact across the broader healthcare value chain.

Board of Directors

Mr. Harsh S. Hiranandani
Promoter and Director
(Non-Executive Director)

Ms. Neha S. Hiranandani
Promoter and Director
(Non-Executive Director)

Mr. Utpal Sheth
Independent Director

Mr. Prem Kumar Chophla
Independent Director

Mr. Anil Kaul
Independent Director

Mr. Kartikeya Dhruv Kaji
Nominee Director
(Non-Executive Director)
(Appointed w.e.f. November 10 2025)

Leadership Team

Mr. Uday Suvarna
Chief Executive Officer

Mr. Kartik Nagda
Chief Business Officer

Mr. Rajesh Rajak
Chief Financial Officer

Mr. Manish Odeka
Chief Risk Officer

Mr. Dheeraj Mittal
Chief Operating Officer

Mr. Suresh Mehra
Chief Human Resource Officer

Mr. Hemanshu Parekh
Head - Credit Underwriting

Ms. Ketaki Prasad Satam
Company Secretary,
Compliance Officer
(Resigned w.e.f. October 24 2025)

Mr. Balan Santosh Parthasarathy
Company Secretary,
Compliance Officer
(Appointed w.e.f. January 20 2026)

Statutory Auditors

M/s KKC & Associates LLP,
Chartered Accountants
(Formerly Khimji Kunverji & Co. LLP)

Secretarial Auditors

M/s Bhandari & Associates,
Company Secretaries

Internal Auditors (Co-sourced)

M/s Grant Thornton Bharat LLP

Registered Office

4th Floor, Scorpio House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076, Maharashtra

Telephone: +91 8433663869

Email: secretarial@hfs.in

Website: www.hfs.in

Branch Network

- Andhra Pradesh
- Telangana
- Maharashtra
- Karnataka
- Tamil Nadu
- Madhya Pradesh
- Uttar Pradesh
- Rajasthan
- Gujarat

Lenders and Bankers

Sr. No.	Name of Lender
1	Aditya Birla Capital
2	AU Small Finance Bank
3	Axis Bank
4	Bajaj Finance
5	Bandhan Bank
6	Bank of Baroda
7	Bank of Maharashtra
8	Canara Bank
9	Capital Small Finance Bank
10	CSB Bank
11	DCB Bank
12	Federal Bank
13	HDFC Bank
14	ICICI Bank
15	IDFC First Bank
16	Indian Overseas Bank
17	IndusInd Bank
18	Kotak Mahindra Bank
19	Nabkisan Finance
20	Poonawalla Fincorp
21	Punjab National Bank
22	Small Industries Development Bank of India
23	South Indian Bank
24	State Bank of India
25	Tata Capital
26	Union Bank of India
27	Utkarsh Small Finance Bank
28	Yes Bank

DIRECTOR'S REPORT

To
The Members,
Hiranandani Financial Services Private Limited ("the Company")

Yours directors (**"Board"**) of the Company have pleasure in presenting the 9th (**Ninth**) Annual Report and the Audited Financial Statements of the Company, for the financial year (**FY**) ended March 31 2026.

1. BACKGROUND:

Hiranandani Financial Services Private Limited (**"HFS" or "the Company"**), is a Private Limited Company registered with the Reserve Bank of India (**"RBI"**) as a Non-Banking Financial Company (**"NBFC"**) and classified as a Middle Layer NBFC by the RBI under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, and as amended from time to time. HFS is a new age NBFC, primarily engaged in granting of Secured business loans to Micro, Small and Medium Enterprise (**MSME**) in India. HFS is built to serve entrepreneurs who drive local economies and embody the country's entrepreneurial spirit and it designs lending solutions that are simple, relevant and accessible.

Your company delivered a consistent performance in FY 2025-26 with AUM of ₹3,351 Crore and with a Profit before Tax of ₹126.57 Crore. Your Company served the customers within the current geographical presence by tapping more business from current customers, as well as expanding the customer base within the present geographical locations.

2. FINANCIAL HIGHLIGHTS:

a. FINANCIAL SUMMARY

The Financial Statements of the Company for the year ended March 31 2026, have been prepared in accordance with Ind AS and the Schedule III of the Companies Act, 2013 as mandated by Ministry of Corporate Affairs (MCA).

The summary of the Company's financial performance for the FY ended March 31 2026 as compared to the previous FY ended March 31 2025, are as below:

(*₹ in Crore*)

Particulars	FY 2025-26	FY 2024-25
Total income	583.63	448.91
Total expenditure	457.06	361.00
Profit before exceptional items and tax	**126.57**	**87.91**
Exceptional items	-	-
Profit/(Loss) before taxation	**126.57**	**87.91**
Less: Provision for taxation (net)	31.29	22.08
Profit/(Loss) for the year	**95.28**	**65.83**
Add: Other comprehensive income for the year	0.36	(0.92)
Add: Balance brought forward from previous year	83.42	31.68
Less: Transfer to Reserve Fund under section 45-IC of the RBI Act, 1934	19.06	13.17
Surplus/(Deficit) in the statement of profit and Loss	**160.00**	**83.42**
Earnings per share:		
Basic	**1.11**	**0.96**
Fully Diluted basis	**1.09**	**0.96**

3. HIGHLIGHTS OF FINANCIAL PERFORMANCE:

During the year under review, the Company had earned a total income of ₹583.63 Crore, as compared to ₹448.91 Crore in the previous FY ended March 31 2025. The net profit of the Company for the FY ended March 31 2026 stood at ₹95.28 Crore as against the net profit of ₹65.83 Crore for the previous FY ended March 31 2025.

4. AMOUNT CARRIED TO STATUTORY RESERVES:

According to the provisions of section 45-IC of the Reserve Bank of India Act, 1934, the Company transferred an amount of ₹19.06 Crore to Reserve Bank of India ("RBI") Reserve fund, for the FY ended March 31 2026.

5. DIVIDEND:

In order to conserve resources to support the long-term business growth of the Company, the Board of the Company did not recommend any dividend for the year under review.

6. BORROWING:

As on March 31 2026, the Company had a total outstanding borrowing (including debt securities) of ₹2,203.84 Crore, out of which the secured borrowings (secured against the pool of loan assets) including debt securities stood at ₹2,203.82 Crore. No interest payment or principal repayment of the term loans/ Non-Convertible Debentures ("NCDs") was due and unpaid as on March 31 2026.

7. CAPITAL ADEQUACY RATIO:

The Company's Capital Adequacy Ratio (CAR) stood at 48.6% as on March 31 2026 as against 30.63% as on March 31 2025, of the aggregate risk weighted assets on the balance sheet and risk adjusted value of the off-balance sheet items, which is well above the stipulated threshold limits of 15% as prescribed by RBI.

8. CAPITAL STRUCTURE:

a. AUTHORIZED SHARE CAPITAL

As on March 31 2026, the authorized share capital of the Company stood at ₹10,00,00,00,000/- (Rupees One Thousand Crore Only) comprising of:

a. **Class A Equity Shares** of ₹9,94,00,00,000/- (Rupees Nine Hundred and Ninety-Four Crore Only) divided into 99,40,00,000 (Ninety-Nine Crore and Forty Lakhs) Equity Shares of the face value of ₹10/- (Rupees Ten Only) each (**"Class A Equity Shares"**);

b. **Class B Equity Shares** of ₹3,00,00,000/- (Rupees Three Crores Only) divided into 30,00,000 (Thirty Lakhs) Equity Shares of the face value of ₹10/- (Rupees Ten Only) each, with differential voting rights (**"Class B Equity Shares"**); and

c. **Class C Equity Shares** of ₹3,00,00,000/- (Rupees Three Crore Only) divided into 30,00,000 (Thirty Lakhs) Equity Shares of the face value of ₹10/- (Rupees Ten Only) each, with differential voting rights (**"Class C Equity Shares"**).

There has been no change in the Authorized Share Capital of the Company, during the year under review.

b. UPDATE ON PREFERENTIAL ALLOTMENT

The Board at its meeting held on July 28 2025, had approved the creation, issuance, and offer of 18,90,35,917 fully paid up Class A Equity Shares of the face value of ₹10/- (Rupees Ten Only) each for Cash at a price of ₹42.32 (including at a premium of ₹32.32 per equity share), aggregating to ₹8,00,00,00,007.44/- (**"Subscription Shares"**) to Nama Taano Pte. Ltd, Singapore (**"Investor"**), subject to the shareholders' approval.

The Members of the Company, at its Extra-Ordinary General Meeting (**EoGM**) held on the said date, considered and approved the Private Placement by means of a Special Resolution.

Pursuant to receipt of the application money, the Board, on August 08 2025, approved the allotment of the said shares. The funds raised are being used to augment long-term resources, meet working capital needs, and support general business purposes, subjected to oversight by the Audit Committee.

c. **PAID-UP SHARE CAPITAL**

During the year under review, the Board of the Company on August 08 2025, approved the issue and allotment of 18,90,35,917 (Eighteen Crore Ninety Lakhs Thirty Five Thousand Nine Hundred and Seventeen) Class A Equity Shares of the Face value of ₹10/- (Rupees Ten Only) each fully paid, for cash at a premium of ₹32.32/- (Rupees Thirty Two and Paise Thirty Two Only) each, on private placement basis, aggregating to ₹8,00,00,00,007.44/- (Rupees Eight Hundred Crore and Seven Rupees and Paise Forty Four Only), to Nama Taano Pte Ltd, Singapore (**"Investor"**).

Further, based on the approval of the ESOP Committee, the Board of the Company on November 15 2025, approved the issue and allotment of 94,38,274 (Ninety-Four Lakhs Thirty -Eight Thousand Two Hundred and Seventy-Four) Equity Shares of Face value of 10/- each, fully paid up, for cash at ₹10/- (Rupees Ten Only) per Equity Share aggregating to ₹9,43,82,740/- (Rupees Nine Crore Forty-Three Lakhs Eighty-Two Thousand Seven Hundred and Forty Only), to the eligible employees, pursuant to exercise of stock options under the Employee Stock Options Plan 2020.

Date of Issue	Date of allotment	Method of allotment	Issue Price (Including Premium) (₹)	Number of shares allotted	Amount of allotment (₹)
July 28 2025	August 08 2025	Preferential Allotment	42.32/- (Forty-Two Rupees and Thirty-Two Paise only)	18,90,35,917 (Eighteen Crore Ninety Lakhs Thirty-Five Thousand Nine Hundred and Seventeen)	8,00,00,00,007.44/- (Rupees Eight Hundred Crore and Seven Rupees and Paise Forty-Four Only)
November 15 2025	November 15 2025	Pursuant to exercise of stock options under HFS ESOP 2020	10/- (Ten Rupees Only)	94,38,274 (Ninety-Four Lakhs Thirty-Eight Thousand and Two Hundred and Seventy -Four)	9,43,82,740 (Rupees Nine Crore Forty-Three Lakhs Eighty-Two Thousand Seven Hundred and Forty Only)

Post allotment of the Equity Shares as aforesaid, the total issued and paid up Share Capital of the Company as on March 31 2026 increased to ₹9,30,59,23,740 (Rupees Nine Hundred Thirty Crore and Fifty Nine Lakhs Twenty Three Thousand and Seven Forty Rupees Only) divided into 93,32,92,374 Equity Shares (Ninety-Three Crore Thirty-Two Lakh Ninety-Two Thousand, Three Hundred and Seventy-Four) consisting of 93,02,92,374 Class A Equity Shares of the face value of ₹10/- (Rupees Ten Only) each fully paid up, and 30,00,000 Class B Equity Shares of the face value of ₹10/- (Rupees Ten only) each, out of which ₹1/- (Rupee One Only) has been called and paid up.

The Equity Shares of the Company are not listed on any of the recognized Stock Exchanges in India.

9. CHANGE IN CHARTER DOCUMENTS:

During the year under review, there were no changes in the Memorandum of Association of the Company.

However, the Company has amended its Articles of Association pursuant to the execution of the Shareholders' Agreement (SHA) dated July 28 2025; entered into between the Company, Mr. Harsh Surendra Hiranandani, Ms. Neha Surendra Hiranandani and Nama Taano Pte. Ltd., the Shareholders of the Company at their Extra-Ordinary General Meeting (EoGM) held on August 08 2025, approved certain amendments to the Articles of Association of the Company.

Accordingly, the Shareholders, adopted the amended and restated Articles of Association of the Company.

d. **ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS**

During the year under review, your Company has not issued any equity shares with differential voting rights, consequently the information as required under the provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014, is not furnished.

e. **CLASSIFICATION AS A MIDDLE LAYER NBFC**

The Company continues to be classified as a Middle Layer, Non-deposit taking NBFC (NBFC-ML), for FY 2025-26. This subjects your Company to enhanced regulatory oversight and reporting requirements, thereby creating a strong culture of good governance within the Company.

f. **RBI GUIDELINES AND ASSET CLASSIFICATION**

Your Company has complied with all applicable regulations of the Reserve Bank of India (RBI) as per Master Direction–Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

10. BUSINESS PERFORMANCE AND GROWTH:

a. **Asset under Management (AUM)**

During the year under review, the total Asset under Management (AUM) had increased to ₹3,351 Crore in FY 2025-26 from ₹2,758 Crore in FY 2024-25.

b. **Branches**

The Company has broadened its branch networks for enhancing accessibility to the customers. As on March 31 2026, the Company had established a network of 156 branches across 09 states (1 Union territory), as compared to 129 branches across 9 states (1 Union territory) as on March 31 2025.

c. **Change in Nature of Business**

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

11. BUSINESS OUTLOOK & INDUSTRY OVERVIEW:

The NBFC sector in India continued to demonstrate resilience over FY 2025-26, with industry AUM growth of approximately 18–19% in FY 2024-25, followed by a moderation to 12-14%. in FY 2025-26, reflecting a more calibrated approach to lending amid evolving macroeconomic conditions and emerging asset quality pressures in select segments. Growth across both years was supported by sustained demand for retail and MSME credit, although FY 2025-26 witnessed an increased emphasis on portfolio quality, risk-adjusted returns, and prudent underwriting practices.

Within this evolving landscape, secured lending—particularly Loan Against Property (LAP)—has gained strategic importance, driven by its inherent collateral backing, better risk-adjusted returns, and strong linkage to productive economic activity within the MSME ecosystem.

Against this backdrop, the Company delivered a strong performance in FY 2025-26, with Assets Under Management (AUM) scaling from ₹2,758 Crore to ₹3,351 Crore, reflecting a 21% year-on-year growth. The Company's pure-play focus on LAP lending to small businesses under the MSME segment, with an average ticket size of ₹10 Lakhs, continues to provide portfolio granularity and resilience, while enabling deep penetration into underserved borrower segments.

The Company's expanding footprint across 9 states, with a strategic emphasis on Tier II and Tier III markets, positions it well to capitalize on structural credit gaps in semi-urban and emerging geographies. During the year, the branch network was scaled up from 129 to 156 branches, enhancing last-mile connectivity, strengthening sourcing capabilities, and improving customer engagement.

The broader operating environment in FY 2025-26 witnessed a moderation in credit growth, led by emerging stress in unsecured lending segments and a more cautious stance across the sector. However, the Company's secured LAP portfolio demonstrated stability, with Gross Non-Performing Assets (GNPA) maintained at 2.4%, underscoring the strength of its underwriting frameworks and robust collections infrastructure.

On the policy front, the Reserve Bank of India (RBI) reduced the policy repo rate by 100 basis points from 6.25% to 5.25% during FY 2025-26, signaling a calibrated shift towards supporting growth. In this context, the Company continues to focus on optimizing its cost of funds through a well-diversified liability franchise, comprising borrowings from private and public sector banks, Non-Convertible Debentures (NCDs). This diversified approach enhances funding stability while enabling competitive pricing for borrowers.

With a robust Capital Adequacy Ratio (CRAR) of 48.6%, the Company is well-positioned to support accelerated growth while maintaining balance sheet strength.

Looking ahead, the outlook for MSME financing remains structurally strong, supported by ongoing formalization, improving digital adoption, and continued policy thrust towards financial inclusion. The LAP segment, with its secured nature and end-use orientation, is expected to remain a preferred asset class for lenders navigating an evolving risk environment.

The Company's differentiated positioning as a focused MSME secured lender, combined with its scalable distribution model, risk-calibrated growth strategy, and strong capital base, provides a solid foundation for the next phase of expansion. A continued emphasis on asset quality, prudent risk management, operational efficiency, and disciplined capital allocation will remain central to delivering sustainable growth and long-term stakeholder value.

12. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

As on March 31 2026, the Company does not have any subsidiaries, joint ventures or associates company. Further, during the year under review, no company has become or ceased to be a subsidiary, joint venture or associate of the Company.

The details of investments made by the Company are given in Notes to Account forming part of the financial statements of the Company for the FY ended March 31 2026.

13. ISSUE OF NON-CONVERTIBLE DEBENTURES:

The Board, at its meeting held on March 25 2025, and pursuant to the approval of the shareholders at its Extra-Ordinary General Meeting (EoGM) held on March 28 2025, had approved the enhancement of borrowing powers of the Company up to ₹7,000 Crore (Rupees Seven Thousand Crore Only) on an outstanding basis at any point of time.

During the year under review, the Board/Finance and Investment Committee (FIC) had approved the issue and allotment of Non-Convertible Debentures (NCD's) and the details of the same are mentioned below:

a. Pursuant to the resolutions passed by the Finance and Investment Committee (FIC) on April 28 2025 and May 07 2025, respectively, the FIC at its meeting held on May 08 2025, approved the allotment of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹1,00,000 (Rupees One Lakh Only) each, aggregating to ₹50,00,00,000 (Rupees Fifty Crore Only) on Private Placement basis. The said NCDs are listed on the Wholesale Debt Market Segment of BSE Limited, effective from May 09 2025.

b. Pursuant to the resolutions passed by the Finance and Investment Committee (FIC) on March 23 2026, the FIC at its meeting held on March 30 2026 approved the allotment of 7,500 (Seven Thousand Five Hundred) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹1,00,000 (Rupees One Lakh Only) each, aggregating to ₹75,00,00,000 (Rupees Seventy-Five Crore Only) on a Private Placement basis. The said NCDs are listed on the Wholesale Debt Market Segment of BSE Limited, effective from April 02 2026.

The Details of the, Non-Convertible Debentures ("NCDs"), on a private placement basis, is mentioned as under:-

Name of Security	Scrip name	Number	Allotment date	Redemption Date	Amount (in ₹)
9.95% HFS NCD 2028	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs")	5,000	May 08 2025	February 24 2028 (With the Call/Put option dated February 24 2027)	50,00,00,000.00 (Rupees Fifty Crore Only)
9.01% HFS NCD 2029	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCD")	7,500	March 30 2026	March 30 2029 (With the Put/Call option dated December, 30 2027)	75,00,00,000.00 (Rupees Seventy-Five Crore Only)

The Company has paid the Annual listing fees to BSE Limited in respect of the said NCDs, for the FY 2026-27.

The NCDs issued by the Company are listed on the BSE Limited ("BSE"). The Company is not a High Value Debt Listed Entity in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

14. CREDIT RATING:

The brief details of the ratings as on March 31 2026 are as follows:

Rating Agency	Facilities/ Instruments	Rated Amount (in Crs)	Rating	Rating Action
CARE Ratings Limited	Long-term bank facilities	1,500	CARE A+; Stable	Reaffirmed
CARE Ratings Limited	Short-term bank facilities	50	CARE A1+	Reaffirmed
CARE Ratings Limited	Non-convertible debentures	150	CARE A+; Stable	Assigned
CARE Ratings Limited	Non-convertible debentures	200	CARE A+; Stable	Reaffirmed
CRISIL Ratings Limited	Long Term Bank Rating	1,000	CRISIL A+/ Stable	Upgraded from CRISIL A/ Stable on May 20 2025

15. RISK MANAGEMENT FRAMEWORK:

The Company has established a comprehensive and well-structured Risk Management Framework (**RMF**) to support the safe and sustainable conduct of its retail lending operations. The RMF provides a systematic approach for identifying, assessing, monitoring, and mitigating all material risks inherent to the business, including credit, liquidity, interest rate, operational, fraud, compliance, strategic, technology, and reputational risks. The framework is designed to ensure that risks are managed within the Company's defined risk appetite while supporting business objectives, regulatory compliance, and long-term value creation.

The Board of Directors has overall responsibility for risk governance and oversight, supported by the Risk Management Committee, which oversees the implementation and periodic review of risk policies, strategies, and limits. A dedicated Risk Management function provides independent oversight through ongoing monitoring, portfolio reviews, stress testing, and early warning mechanisms. The RMF is reviewed periodically and strengthened on an ongoing basis to remain responsive to evolving market conditions, business dynamics, and regulatory requirements.

Key Risks and Mitigation Strategies

Credit Risk

The Company is exposed to credit risk arising from potential borrower defaults, deterioration in borrower credit quality, and adverse macroeconomic or sector-specific developments. This risk is mitigated through a robust credit risk management framework encompassing clearly defined product eligibility norms, prudent underwriting and appraisal standards, exposure limits, and delegated approval authorities. Regular reviews of delinquency trends, ageing analysis, and concentration levels enable timely corrective and recovery actions.

Liquidity Risk

The Company manages this risk through a comprehensive Asset Liability Management (**ALM**) framework that monitors cash flow gaps across time buckets, maintains adequate liquidity buffers, and ensures diversification of funding sources. Periodic liquidity stress testing is conducted, and timely treasury actions are undertaken to maintain funding stability and liquidity adequacy.

Interest Rate Risk

This risk is managed through continuous monitoring under the ALM framework, assessment of repricing gaps, and sensitivity analysis under different interest rate scenarios. The Company follows prudent pricing and repricing strategies to protect net interest margins and ensure earnings stability within approved risk tolerance levels.

Operational Risk

The Company mitigates operational risk through well-defined standard operating procedures, strong internal control systems, segregation of duties, maker-checker mechanisms, and system-based controls. An incident reporting and escalation mechanism is in place to identify and address operational lapses, supported by periodic internal audits and process reviews.

Fraud Risk

The Company mitigates fraud risk through a combination of preventive, detective, and corrective controls, including strong KYC and due diligence practices, system-based checks, exception monitoring, and maker-checker controls. Dedicated fraud monitoring mechanisms, early warning triggers, and investigation protocols are in place to identify and address suspicious activities promptly.

Compliance and Regulatory Risk

This risk is managed through a structured compliance framework supported by internal policies, ongoing monitoring, regulatory reporting, and periodic compliance audits. Regulatory developments are tracked proactively, and necessary changes are incorporated into policies and processes to ensure continued compliance.

Market and Strategic Risk

The Company mitigates this risk through regular review of business strategies, portfolio composition, and market conditions by senior management and the Board. Stress testing and scenario analysis are undertaken to assess the impact of adverse economic conditions, and strategic decisions are supported by risk assessments aligned with the Company's risk appetite.

Technology and Information Security Risk

Technology risk includes the risk of system failures, cyber-security threats, data breaches, or disruptions to business continuity. The Company mitigates this risk through appropriate IT governance frameworks, robust information security controls, access management protocols, periodic system audits, and well-defined disaster recovery and business continuity plans. Regular reviews of technology infrastructure and security practices are conducted to safeguard systems and customer information.

Reputational Risk

Reputational risk arises from adverse public perception due to service deficiencies, customer grievances, operational lapses, fraud incidents, or regulatory actions. The Company mitigates reputational risk by adhering to fair practices, transparent customer communication, and a structured grievance redressal mechanism. Strong governance standards, ethical conduct, and a compliance-oriented culture further support the maintenance of stakeholder confidence and trust.

16. INFORMATION TECHNOLOGY:

Over the past few years, technology has become an integral part of every Company's business operation. In aligning with its growth strategies, the Company has also put in place a robust technology framework, which provides for seamless business operations across the entire business value chain including sourcing, sanction, disbursement, collections and other back-office operations. Technology has emerged as a strategic enabler across the HFS operations and continues to strengthen the Company's digital and IT capabilities to enhance execution across functions.

In the reporting period, the Company has enhanced its technology landscape with a focus on scalability, security, and resilience. These key enhancements improved operational efficiency, turnaround time and customer experience. The Company has expanded the adoption of Robotic Process Automation (RPA) across operations, risk, and credit functions, enabling process standardization, reduction in manual intervention, improved accuracy and strengthened control mechanisms.

On the Information security front, IT strategy committee of Board reviewed the efficacy of the policy formulated and adopted by the Company, relating to Cyber Security, Business Continuity, Outsourcing and Information Security/Technology, in line with the extant IT and Cyber Security norms. The Company has implemented advanced security measures including a Zero Trust Network Access (ZTNA) framework, enhanced endpoint management, network security controls and continuous monitoring mechanisms to mitigate potential risks and Disaster Recovery (DR) drills to validate readiness and ensure business continuity in the event of disruptions.

As part of its continuous efforts to provide a secure environment, the Company has built a robust IT infrastructure and it carries out periodic comprehensive external and independent vulnerability assessments and penetration tests (VAPT), to identify and minimize external IT and Cyber security related threats.

During the year, the Company also conducted an Independent Information System audit and cloud risk assessment covering information systems and cyber security practices thereby ensuring adherence to regulatory guidelines.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company is a responsible corporate citizen and is committed to adhere to the values and ethos while conducting business consciously to respect social and environmental aspirations of the communities we serve.

As a responsible corporate citizen, a company must conduct its business with all stakeholders in a responsible and equitable manner. The Company is devoted to and perform its business activities legally, in compliance with highest ethical standards.

The Company believes in integrating its business values and operations to meet the expectations of its stakeholders. Our CSR philosophy is at the core of everything we do. We envision a future where every person has access to responsible financial guidance and resources that contribute to their growth and success. Our commitment is rooted in fostering literacy, promoting sustainable practices, and creating a positive social impact. We view ourselves as more than just a financial institution – we are a committed partner in building a better future. By actively engaging with communities, empowering diversity and managing risk conscientiously, we strive to create a positive impact beyond profits.

The Company believes in integrating its business model with the social welfare of people and the society in which it operates. The CSR Policy has been uploaded on the website of the Company and can be accessed

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at https://hfs.in/regulatory/. The CSR Report on CSR activities containing detailed information on CSR policy, salient features and CSR projects undertaken during FY 2025-26 along with the composition of Committee is enclosed as **Annexure-1** to this report.

During the year under review, the Company has constituted the CSR Committee, in compliance with Section 135 (1) of the Companies Act, 2013 (**"Act"**).

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the 'Annual Report on CSR activities' for the year under review is enclosed as **Annexure-1** to this report.

The Chief Financial Officer of the Company has certified that the CSR Funds have been disbursed and were utilized for the CSR Projects in the manner and purpose as approved by the Board as set out in the Annual Action Plan for the FY 2025-26, in alignment with the CSR Policy of the Company.

18. COMPLIANCE & REGULATORY:

The Company has obtained a Certificate of Registration on June 07 2018, as an NBFC – Investment and Credit Company (**"ICC"**) from the RBI.

As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Registration Exemptions and Frameworks for Scale Based Regulation) Directions, 2025 (**"SBR"**), NBFCs are divided into four layers viz., Top layer, Upper layer, Middle layer and Base layer, based on the size, activity, and perceived risks. The Company falls under the category of a Middle Layer NBFC as per the SBR.

During the year under review, the Company has formulated, reviewed and adopted policies and codes aligned with the regulatory requirements. The Board also assessed the effectiveness of the systems and processes in place to ensure compliance with the applicable provisions.

Furthermore, a consolidated compliance certificate, outlining the status of compliance with applicable legal and regulatory requirements, is presented to the Board for its review on a quarterly basis. Additionally, structured training programs were conducted throughout the year for all employees, including those at branch locations, to enhance their understanding of legal obligations. These sessions cover key areas such as Know Your Customer (KYC) & Anti-Money Laundering (AML) norms with the objective of ensuring adherence to the Company's compliance and regulatory standards.

The Company has a compliance management tool that tracks and monitors changes in regulatory compliances as applicable to its operations.

During the year under review, the Company underwent a Select Scope inspection by the Reserve Bank of India (RBI) and the report in respect of which was received on January 20 2026. The details of the said report, status of actionable arising therefrom and responses of the Company, was reviewed by the Board on February 10 2026. The Company submitted its response to the RBI, within the stipulated time.

19. DEPOSITS:

The Company being a Non-Deposit taking Non-Banking Financial Company (**"NBFC-ND"**) did not accept any deposits from the public at the beginning of the year nor has it accepted any deposits from the public during the year under review. Accordingly, the disclosure in respect of the details relating to the deposits as prescribed under Chapter V of the Act, is not applicable.

20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company being a Non- Banking Financial Company, the provisions of Section 186 of the Act, pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loan to any other bodies corporate or persons and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, are not applicable to the Company.

21. MANAGEMENT OF THE COMPANY:

a. BOARD OF DIRECTORS

During the period under review, and in terms of the Shareholders Agreement (SHA) and the Share Subscription agreement (SSA), both dated July 28 2025 entered into by the Company with the Promoter/Founders and the Investor, the Investor had the right to nominate a Director on the Board of the Company. Accordingly, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on August 08 2025 approved the proposed appointment of Mr. Kartikeya Kaji (DIN: 07641723) as the Additional Non-Executive, Nominee Director of the Company and to hold the office as such from such date as may be approved by the Reserve Bank of India until the conclusion of the Annual General Meeting.

Thereafter, pursuant to the approval granted by the Reserve Bank of India ("RBI") vide its letter dated October 31 2025, the Board at its meeting held on November 10 2025 and subsequently the Members at the EoGM held on November 10 2025 approved the appointment of Mr. Kartikeya Kaji (DIN: 07641723) as the Non-Executive Nominee Director of the Company, for a period of 5 (five) years w.e.f. November 10 2025. During his tenure as the Non-Executive, Nominee Director Mr. Kartikeya Kaji shall not be liable to retire by rotation.

As at March 31 2026 the Board, comprises of six Directors i.e. 2 (Two) Non-Executive Directors, 3 (Three) Non-Executive Independent Directors and 1 (One) Non-Executive Nominee Director. The composition of the Board is in accordance with the provisions of the Act.

As of March 31 2026, the following are the directors on the Board of the Company:

Sr. No.	Name of Director	Designation
1	Mr. Harsh S. Hiranandani (DIN: 07661253)	Non-Executive Director
2	Ms. Neha S. Hiranandani (DIN: 01954865)	Non-Executive Director
3	Mr. Utpal Hemendra Sheth (DIN: 00081012)	Non-Executive Independent Director
4	Mr. Prem Kumar Chophla (DIN: 09555408)	Non-Executive Independent Director
5	Mr. Anil Kaul (DIN: 00644761)	Non-Executive Independent Director
6	Mr. Kartikeya Kaji (DIN: 07641723)	Non-Executive Nominee Director

During the year under review, all the Directors of the Company have complied with the Fit & Proper criteria as stipulated under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

The Directors of the Company have also confirmed that they have neither incurred any of the disqualifications as referred to in Section 164 of the Companies Act, 2013 ("the Act") for being director of the Company nor have they attracted any of the situation(s) as prescribed under Section 167(1) of the Act, which could lead to vacation of their office as a Director of the Company.

b. INDEPENDENT DIRECTORS

Mr. Utpal Hemendra Sheth, Mr. Prem Kumar Chophla and Mr. Anil Kaul are the Independent Directors of the Company.

The Company received the necessary declarations from the said Independent Directors, affirming that they meet the criteria of independence as laid down in Section 149 (6) of the Act, as amended from time to time and that they have complied with the Fit & Proper criteria as stipulated under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

None of the Independent Directors of the Company have pecuniary relationship or transactions with the Company. None of the Independent Directors are related to each other. The Independent Directors have confirmed that they are not disqualified from being appointed as a Director, in terms of Section 164 of the Act and are not debarred from holding the office of Director by virtue of any order passed by SEBI or any other regulatory/statutory authority.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

In terms of the provision of Section 178 of the Act, the performance of the Board, Individual Directors, Chairman and the Committees for the FY 2025-26 was evaluated based on the parameters/criteria as set out in the Policy for evaluation of the performance of the Board, Committees and Directors in order to assess the quality, quantity and timeliness of the flow of information between the Company's management and the members of the Board/Committees, that is necessary for informed decision making and discharge of their fiduciary obligations.

c. **RETIREMENT BY ROTATION**

In accordance with the provisions of the Act and the Articles of Association of the Company, none of the Directors of the Company are liable to retire by rotation.

22. BOARD MEETINGS:

During the year under review, 11 (Eleven) meetings of the Board were held. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

23. BOARD COMMITTEES:

As of March 31 2026, the Company had the following Board Committees, which reviewed matters as per their respective terms of reference, reviewed and approved by the Board, in compliance with extant norms:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Risk Management Committee

iv. IT Strategy Committee

v. Corporate Social Responsibility Committee*

vi. ESOP Committee

vii. Wilful Default Review Committee *(formerly known as Review Committee)*

viii. Finance and Investment Committee

ix. Consumer Protection Committee#

**The Board constituted the said Committee w.e.f. June 16 2025.*

#The Board re-constituted the said Committee w.e.f. February 10 2026.

For details of the said Board Committees, their terms of reference and meetings held during the year, please refer to the Corporate Governance Report, which forms part of this Annual Report.

The Board has also constituted the following Committees, which comprises of Senior Management team, to inter alia review matters as per their terms of reference, which are subject to review and approval of the Board, in compliance with extant norms.

i. Asset Liability Committee

ii. Information Security Committee

iii. IT Steering Committee

iv. Identification Committee

v. Internal Complaints Committee

vi. Committee of Executives

vii. New Product Committee

24. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company convened a separate meeting without the presence of Non-Independent Directors and members of the management to discuss matters as they considered relevant.

During the year under review, the said meeting of the Independent Directors was held on February 06 2026.

At the said meeting, the Independent Directors discussed and reviewed the performance of the Board of Directors, Individual Directors and the Committees and assessed the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for the Board to perform their duties effectively and reasonably. The recommendations of the Independent Directors have been communicated to the Company for its implementation.

25. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY:

In compliance with the Fit & Proper criteria as stipulated under of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 and other applicable laws, the Company has formulated and approved the Policy on 'Fit and Proper' Criteria for Directors, to bring uniformity in the process of due diligence, while appointing directors.

The Company has formulated and adopted the Remuneration/Compensation Policy in accordance with the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions dated November 28 2025 issued by Reserve Bank of India and other applicable laws and the said policy is available on the website of the Company at https://hfs.in/regulatory/. The salient features of the said policy is to ensures that the level and composition of compensation is reasonable and sufficient to attract, retain and motivate Directors/KMPs/SMPs of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and the remuneration to Directors, remuneration to KMPs and SMPs involves a balance between fixed and variable pay reflecting short term and long-term performance objectives appropriate to the working of the Company and its goals.

The remuneration payable to the Directors, Key Managerial Personnel and other applicable employees of the Company is approved by the Board in terms of the said Policy.

26. KEY MANAGERIAL PERSONNEL ("KMP"):

During the period under review, Ms. Ketaki Prasad Satam (ACS: A28476), resigned as the Company Secretary and Compliance Officer of the Company w.e.f. October 24 2025 from the closure of the business hours.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 20 2026, appointed Mr. Balan Santosh Parthasarathy (ACS: A49602), as the Company Secretary and Compliance Officer of the Company with immediate effect.

As on March 31 2026 the Company had the following KMPs:

Sr. No.	Name of KMP	Designation
1	Mr. Uday Suvarna	Chief Executive Officer
2	Mr. Rajesh Rajak	Chief Financial Officer
3	Mr. Balan Santosh Parthasarathy	Company Secretary and Compliance Officer

27. INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL REPORTING:

Based on the framework of internal financial controls relating to financial reporting and the compliance systems established and maintained by the Company, audit conducted by the Statutory, and Internal Auditors of the Company, including audit of internal financial controls over financial reporting conducted by the Statutory Auditors and reviews by the Management and concerned Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls and compliance systems, were adequate and effective during FY 2025-26.

28. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of clause (c) of Section 134(3) read with Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirms that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed and there had been no material departure;

b. Such accounting policies had been selected and applied 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 profit of the Company for the FY 2025-26;

c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The annual accounts were prepared on a going concern basis;

e. The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. Proper systems were devised to ensure compliance with the provisions of all applicable laws, including and that such systems were adequate and operating effectively.

29. FRAUD REPORTING:

During the year, no frauds were reported by the Statutory Auditors under Section 143(12) of the Act requiring disclosure in the Director's Report of the Company.

30. VIGIL MECHANISM:

The Company has formulated and adopted a Policy on Vigil Mechanism to address genuine concerns, as reported by its Employees and Directors. The said Policy also provides for adequate safeguards against victimization of persons who reports fraudulent or illegal/unauthorized activities by persons, including violation of norms relating to insider trading and related party transactions.

The Company had nominated Mr. Pavitra Dubey, Head - HR Centre of Excellence, as the Vigilance Officer to whom the Employees and Directors of the Company, can approach for reporting their concerns or grievances and shall have direct access to him. The Employees and Directors of the Company can also directly access the Chairman of the Audit Committee, for reporting their concerns or grievances, in exceptional cases.

During the year under review, the Company did not receive any complaints from its Employees or Directors under the said Policy.

The details of establishment of the vigil mechanism has been uploaded on the website of the Company and can be accessed at https://hfs.in/regulatory/.

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

The Company is committed to provide a conducive work environment in terms of anti-sexual harassment and has established appropriate mechanisms to ensure protection against sexual harassment of women at workplace.

The Company has formulated and adopted the Policy For Prevention of Sexual Harassment at the Workplace and constituted an Internal Complaints Committee to define and prohibit any inappropriate behavior, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) read with the Sexual Harassment of Women (Prevention, Prohibition and Redressal) Rules, 2013 and the said policy is available on the website of the Company and can be accessed at https://hfs.in/regulatory/.

During the year under review, the Company did not receive any sexual harassment complaint, under the said Policy, detailed as under.

Sr. No.	Title	Particulars
1.	No of sexual harassment complaints received during the year	NIL
2.	No of sexual harassment complaints disposed off	NIL
3.	No of sexual harassment complaints pending beyond 90 days	NIL
4	No of sexual harassment complaints pending as on March 31 2026	NIL

The Company conducted a POSH Awareness Workshop on April 17 2026 for all employees. The workshop was designed to help employees understand the important provisions covered under the POSH Act and its role in maintaining a respectful and safe work environment.

32. AUDIT COMMITTEE:

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. For details pertaining to the composition of the Audit Committee, the terms of reference and meetings held during the year under review, please refer to the Corporate Governance Report, which forms part of this Annual Report.

33. STATUTORY AUDITORS AND THEIR REPORT:

The Reserve Bank of India ("RBI") on April 27 2021 issued guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (RBI Guidelines). The Company has formulated and adopted a Policy for appointment of Statutory Auditors of the Company in compliance with the RBI Guidelines. As per the requirement of the said guidelines, the Company can appoint Statutory Auditors for a continuous period of maximum three years, subject to the firms satisfying the eligibility norms on a continuous basis.

Further, as per the aforesaid RBI Guidelines and pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 and as recommended by the Audit Committee and the Board, the members at their Seventh Annual General Meeting (AGM) held on July 02 2024, had approved the appointment of M/s. KKC & Associates LLP, Chartered Accountants (FRN: 105146W/W100621) as the statutory auditors of the Company for a term of three years, i.e. from the conclusion of Seventh AGM till the conclusion of the Tenth AGM to be held in the year 2027. The auditors meet the eligibility criteria as required under the Act.

The report issued by the Statutory Auditor, M/s. KKC & Associates LLP, Chartered Accountants on the Financial Statements of the Company for the financial year ended March 31 2026 forms part of this Annual Report.

There are no qualifications, or adverse remarks made by the Statutory auditors in its report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under section 134(3)(f) of the Act.

34. ACCOUNTING STANDARDS:

The Financial Statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act.

The accounting policies adopted in the preparation of the Financial Statements have been consistently followed by the Company, during the year under review.

35. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is compliant with SS - 1 i.e. Secretarial Standard on Meetings of the Board of Directors, and SS - 2 i.e. Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

36. RELATED PARTY TRANSACTIONS:

The Company has formulated a 'Policy on Related Party Transactions' for proper conduct and documentation of all contracts or arrangements with related parties. The said policy is available on the website of the Company and can be accessed at https://hfs.in/regulatory/.

The Audit Committee has granted omnibus approval for related party transactions of the Company, which are repetitive in nature and incidental to the general operations of the Company.

During the year, the Company has entered into transaction with Related Parties that is in its ordinary course of business but not on an arm's length basis *(monetary value is less than the market value)*. The Company was not required to obtain shareholders' approval for the said related party transactions, as all such transactions were within the limits prescribed under the Companies Act, 2013.

Details of the transactions as prescribed in Form AOC - 2 as per section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure -2** and forms part of this Report.

Further, as regards to the disclosure required under Regulation 53(1)(f) read with Para A of Schedule V of SEBI Listing Regulations, the Company in its Annual Report has made the relevant disclosures pertaining to related party transactions.

37. SECRETARIAL AUDITORS AND THEIR REPORT:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Bhandari & Associates., Company Secretaries, having Firm registration no. P1981MH043700, to undertake the Secretarial Audit of the Company for FY 2025-26.

The Secretarial Audit Report, in the prescribed Form No. MR-3 dated May 06 2026 for the financial year ended March 31 2026, is annexed to this Report and marked as **Annexure-4** of this report.

38. COST RECORDS AND AUDITORS:

Maintenance of cost records and the requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, is not applicable to the Company.

As such, the Company was not required to appoint a Cost Auditor during the year under review.

39. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS:

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31 2026 and May 06 2026, being the date of this Report.

Further, pursuant to the resolution passed by the Board of Directors at its meeting held on May 06 2026, the registered office of the company was shifted from 514, Dalamal Towers, 211 FPJ Marg, Nariman Point, Mumbai – 400021 to 4th Floor, Scorpio House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076, with effect from June 01 2026.

40. MATERIAL ORDERS OF JUDICIAL BODIES/REGULATORS:

No material order passed by the regulators or courts or tribunals or statutory or quasi-judicial body which would impact the going concern status of the Company and its future operations.

41. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY-

(i) The steps taken or impact on conservation of energy:

The operations of the Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy;

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Though the operations of the Company are not energy intensive, the Company shall continue to explore alternative source of energy, as deemed appropriate;

(iii) The capital investment on energy conservation equipment

NIL

B. TECHNOLOGY ABSORPTION -

(i) The efforts made towards technology absorption –

The minimum technology required for the business has been adopted.

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

NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

NIL

a. the details of technology imported – Not applicable

b. the year of import – Not applicable

c. whether the technology been fully absorbed – Not applicable

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not applicable; and

(iv) The expenditure incurred on Research and Development -

NIL

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO -**

During the year under review, the Company spent an amount equivalent of ₹16,39,033/- (for previous FY ₹12,44,099/-) in foreign exchange towards subscription fees and advertising services and interest on a foreign currency loan amounting to ₹18,31,09,362/-. There were no foreign exchange earnings during the year under review.

42. PARTICULARS OF EMPLOYEE REMUNERATION:

The Company, being a private limited company, is not required to provide details of remuneration of its employees pursuant to Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

43. HUMAN RESOURCES:

We believe our employees are our most important assets and the driving force behind our success. We are deeply committed to attracting, developing, and retaining top talent by fostering a culture that is collaborative, transparent and performance-driven.

Our human resource philosophy is anchored in empowering individuals to realize their potential, growth in their careers, and contribute meaningfully to the organization's goals. We reward merit and consistent high performance through well-structured recognition and incentive programs, and continuously invest in learning and development that build future-ready capabilities.

We are also focused on building an inclusive and engaging workplace where employees feel valued, inspired, and connected to a shared purpose.

As on March 31 2026, the Company had a total of 2,120 employees on its rolls.

44. COMPLIANCE WITH MATERNITY BENEFITS:

As required under the Rule 8(5)(xiii) of Companies (Accounts) Second Amendments Rules, 2025, the Company hereby confirms adherence to the stipulations under the Maternity Benefit Act, 2017, as amended, regarding maternity leave, medical benefits, and other related entitlements for eligible female employees.

During the year under review, 01 eligible female employee availed the maternity benefits offered by the Company.

45. INSIDER TRADING REGULATIONS:

As required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [**SEBI (PIT) Regulations**], the Audit Committee and the Board reviewed and approved the amendments to the 'Fair Disclosure Code' and the 'Insider Trading Code' at their meeting held on October 30 2025, in line with the extant norms on insider trading. The objective of the said Codes is to foster investor confidence, promote fair trading practices, and avoid legal repercussions. The said Codes are available on the website of the Company at https://hfs.in/regulatory/.

In accordance with SEBI (PIT) Regulations, the Company is required to appoint a senior officer as the Compliance Officer who shall be financially literate and capable of understanding and complying with the legal and regulatory obligations under these regulations. The Compliance Officer is responsible for monitoring adherence to the rules for the preservation of unpublished price sensitive information (UPSI), maintaining the structured digital database, and overseeing the implementation of the Code of Conduct.

Pursuant to the resignation of Ms. Ketaki Prasad Satam as the Company Secretary & Compliance Officer of the Company (ACS: 28476), with effect from the close of business hours on October 24 2025, the Board at its meeting held on January 20 2026, designated Mr. Balan Santosh Parthasarathy, Company Secretary and Compliance Officer of the Company, (ACS: A49602) as the Chief Investor Relation Officer ("CIRO") under the provisions of Reg. 8(1) of the SEBI (PIT) Regulations and as the Compliance Officer under the provisions of Reg. 9(1) of the said Regulations, with effect from January 20 2026.

46. INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA REGULATORY GUIDELINES:

The Company is registered with Insurance Regulatory Development Authority of India ("IRDAI") as a Corporate Agent (Composite) vide registration No. CA0887. The Company has complied with the applicable rules and regulations as prescribed by IRDAI, from time to time.

During the year under review, the Company has not obtained any registration/license/authorization, by whatever name called, from any other financial sector regulators, other than those mentioned above.

47. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review, no amount was required to be transferred to the Investor Education and Protection Fund, as the Company had remitted the interest amount due to the concerned Non-Convertible Debenture holders.

Further, in terms of the Investor Education and Protection Fund Authority ("IEPF Authority") (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), and pursuant to the resignation of Ms. Ketaki Prasad Satam (ACS: 28476), as the Company Secretary and Compliance Officer of the Company w.e.f. the close of business hours on October 24 2025, the Board in its meeting held on January 20 2026 appointed Mr. Balan Santosh Parthasarathy (ACS: A49602) Company Secretary and Compliance Officer of the Company, as the Nodal Officer of the Company, for the purpose of verification of claims and co-ordination with the IEPF Authority. The contact details of the said Nodal Officer, is available on the website of the Company at https://hfs.in/investor-information/

Policy on Dealing with Unclaimed amounts with respect to Listed Non-Convertible Securities and Process of Claiming such amounts by investors is available on the website of the Company at https://hfs.in/regulatory/.

48. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, no application was made or is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

49. ONE TIME SETTLEMENT WITH BANKS/FINANCIAL INSTITUTIONS:

There was no instance of one-time settlement with any Bank/Financial Institution in respect of any loan taken by the Company.

50. ANNUAL RETURN (FORM MGT-7):

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the annual return of the Company for the financial year ended March 31 2026, in the prescribed Form MGT-7 is available on the website of the Company at https://hfs.in/investor-information/.

51. EMPLOYEES STOCK OPTION SCHEME (ESOP):

The Company had introduced Hiranandani Financial Services ("HFS") Employees Stock Option Scheme 2020 ("ESOP 2020") and Hiranandani Financial Services ("HFS") Employees Stock Option Scheme 2025 ("ESOP 2025") for eligible employees with a view to attract and retain talent, align individual performance with the Company objectives and promote increased participation by them in the growth of the Company.

The relevant information pertaining to ESOP 2020 and ESOP 2025, respectively, as on March 31 2026, in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, is enclosed as **Annexure-3** to this Report.

52. CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report, prepared in accordance with Part C of Schedule V of SEBI Listing Regulations and as required under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 forms part of this Annual Report.

Further, additional disclosures as applicable to the Company, in accordance with the said RBI Directions form part of the Corporate Governance Report marked as **Annexure-5**.

53. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In accordance with the applicable provisions of the of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India, an analysis of the Company's performance is set out in the Management Discussion and Analysis Report, which forms part of the Annual Report as **Annexure-6**.

54. ACKNOWLEDGEMENT:

Your Board would like to place on record their gratitude for the co-operation and guidance received from the regulatory/statutory authorities. Your Board also thanks the shareholders, clients, vendors, investors, banks and other stakeholders of the Company, for placing their faith in the Company and for their continued interest in its affairs and contributing to its growth.

Your Board also places on record their appreciation for all the employees of the Company for their commitment, team work, professionalism and for the resilience and dedication demonstrated by them, during the year under review.

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh S. Hiranandani
Non-Executive Director
DIN: 07661253

Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Non-Executive Director
DIN: 01954865

Place: London
Date: May 06 2026

Annexure-1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR (FY) 2025-26

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Board of Directors has adopted the Corporate Social Responsibility Policy ("CSR Policy"). This said Policy lays down the guidelines and mechanism for undertaking programs/projects/activities in accordance with the CSR laws. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

For details of the CSR Policy, kindly refer to the website of the Company at https://hfs.in/regulatory/.

Focus areas in FY 2025-26:

- Supporting sustainable livelihood enhancement projects
- Enhancing vocational skills among rural youth including women
- Promoting women empowerment

CSR Activity undertaken in FY 2025-26:

Ambuja Foundation: In the year under review, Company had partnered with Ambuja Foundation, a non-governmental organization (NGO) as part of their Skill Development Programme which supports rural youth including women from low-income communities with the impetus they need to be financially independent. Through this partnership, Company has supported Local youth from marginalized areas of Surat in Gujarat and Nagaur in Rajasthan by equipping them with both technical & soft skills tailored to the current demands of the local job market, thereby creating significant employment and sustainable livelihood opportunities.

United Way Mumbai: To empower women from low-income and vulnerable communities through an Entrepreneurship Development Program (EDP) training. The initiative aims to equip beneficiaries with entrepreneurial skills, support them in establishing or strengthening micro-enterprises, and promote sustainable livelihoods through the distribution of customized Saksham Kits along with structured post-distribution support. Through this partnership, Company has supported Local women from marginalized areas of Hyderabad in Telangana and Vijayawada & Vishakhapatnam in Andhra Pradesh.

2. Composition of CSR Committee:

During the year under review, the Board of Directors at its meeting held on June 16 2025, constituted a CSR Committee, in terms of Section 135 (1) of the Companies Act, 2013. The current Composition of CSR Committee is as under: -

Sl. No.	Name of Director Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	No. of meeting of CSR Committee attended during the year
1.	Mr. Harsh S. Hiranandani- Non-Executive Director	1	1
2.	Ms. Neha S. Hiranandani- Non-Executive Director	1	0
3.	Mr. Prem Kumar Chophla- Non-Executive Independent Director	1	1

Annexure-1 (Contd.)

3. **The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** https://hfs.in/investor-information/

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable.

5. (a) **Average net profit of the Company as per sub-section (5) of section 135:** ₹5325.21 Lakhs

   (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹106.50 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:** ₹0.10 Lakhs

   (e) **Total CSR obligation for the financial year:** ₹106.50 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹105.70 Lakhs

   (b) **Amount spent in Administrative overheads:** ₹4.50 Lakhs

   (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹110.20 Lakhs

   (e) **CSR amount spent or unspent for the Financial Year:** ₹110.20 lakhs spent and NIL amount unspent

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount (₹ in Lakhs)	Date of transfer
₹110.20	NIL		NIL		

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

Sr. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	106.50
(ii)	Total amount spent for the Financial Year	110.20
(iii)	Excess amount spent for the Financial Year(s)*	3.80
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years	3.80

**The excess amount includes ₹0.10 lakhs from previous years (₹0.7 Lakhs & ₹0.3 Lakhs for F.Y. 2023-24 & 2024-2025 respectively) and ₹3.70 lakhs for F.Y.2025-2026*

Annexure-1 (Contd.)

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

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in Lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Lakhs)	Amount Spent in the Financial Year (₹ in Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in Lakhs)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of Transfer		
1.	FY 2024-25	-	-	-	-	-	-	-
2.	FY 2023-24	-	-	-	-	-	-	-
3.	FY 2022-23	-	-	-	-	-	-	-

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 CSR amount spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh Hiranandani
Non-Executive Director
DIN: 07661253

Place: Mumbai
Date: May 06 2026

Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Annexure-2

FORM NO. AOC-2

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

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

Details of contracts or arrangements or transactions not at arm's length basis

Name of the Company: **Hiranandani Financial Services Private Limited**

Number of contracts or arrangements or transactions not at arm's length basis: **04**

Name(s) of the related party and nature of relationship	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/ Passport for individuals or any other registration number	Nature of Contract/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contract or arrangement or transactions including actual/expected contractual amount	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first proviso to section 188	SRN of Form MGT-14
Hiranandani construction Private Ltd. (Director being interested)	CIN: U45200MH1974PTC017872	Leave and License agreement	One Year	Payment of License Fees for the property located at 514 Dalamal Towers, 211 FPJ Street, Nariman Point, Mumbai 400 021 for ₹36,000 p.a.	Registered Office of the Company	May 10 2025	NIL	Not Applicable	Not Applicable
Roma Builders Private Limited (Director being interested)	CIN: U70100MH1991PTC063439	Leave and License agreement	One Year	Payment of License Fees for the property located at Tiffany building Hiranandani Estate, Ghodbunder Road, Thane, Mumbai-400607 for ₹60,000 p.a.	Business premises of the Company	May 10 2025 & February 10 2026	NIL	Not Applicable	Not Applicable

Annexure-2 (Contd.)

Name(s) of the related party and nature of relationship	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/ Passport for individuals or any other registration number	Nature of Contract/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contract or arrangement or transactions including actual/expected contractual amount	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first proviso to section 188	SRN of Form MGT-14
HGP Community Private Limited (Director being interested)	CIN: U45201MH2016PTC274222	Leave and License agreement	One Year	Payment of License Fees for the property located at Sigma building, 9th floor, Technology Street, Powai, Mumbai-400 069 with NIL actual/expected contractual amount	Business premises of the Company	February 06 2025 and October 30 2025	NIL	Not Applicable	Not Applicable
HGP Community Private Limited (Director being interested)	CIN: U45201MH2016PTC274222	Leave and License agreement	One Year	Payment of License Fees for the property located at Sigma building, 11th floor, Technology Street, Powai, Mumbai-400 069 with NIL actual/expected contractual amount	Business premises of the Company	February 06 2025 and October 30 2025	NIL	Not Applicable	Not Applicable

Annexure-2 (Contd.)

2. Details of material contracts or arrangements or transactions at arm's length basis

Name of the Company: **Hiranandani Financial Services Private Limited**

Number of material contracts or arrangements or transactions at arm's length basis: **NIL**

Name(s) of the related party and nature of relationship	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Nature of Contract/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contract or arrangement or transactions including actual/ expected contractual amount	Date of approval by the Board	Amount paid as advances, if any
NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh Hiranandani
Non-Executive Director
DIN: 07661253

Place: Mumbai
Date: May 06 2026

Neha Hiranandani
Non-Executive Director
DIN: 01954865

Place: London
Date: May 06 2026

Annexure-3

HFS ESOP 2020

[Pursuant to clause (b) of sub-section (1) of section 62 of the Companies Act, 2013 and Rule 12(10) of the Companies (Share Capital and Debentures) Rules, 2014]

Nature of Disclosures	Particulars
Options approved to be issued as ESOPs	1,75,00,000
Options Granted	1,81,65,000*
Options Vested	1,57,38,096
Options Exercised	94,38,274
The total number of shares arising as a result of exercise of Options	94,38,274
Options Lapsed	11,20,000**
Exercise Price	10/-
Variation in terms of Options	Not Applicable
Money realized by exercise of Options;	9,43,82,740
Total number of options in force	76,06,726
Employee wise details of options granted during the year to:	
i. Key Managerial Personnel	0
ii. any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during the year;	0
iii. identified employees who were granted options, during the year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the Company at the time of grant	NIL

**including options that have lapsed and re-granted.*

***Current options available for re-issuance is 455,000 (17,500,000-17,045,000)*

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh Hiranandani
Non-Executive Director
DIN: 07661253

Place: Mumbai
Date: May 06 2026

Neha Hiranandani
Non-Executive Director
DIN: 01954865

Place: London
Date: May 06 2026

Annexure-3 (Contd.)

HFS ESOP 2025

[Pursuant to clause (b) of sub-section (1) of section 62 of the Companies Act, 2013 and Rule 12(10) of the Companies (Share Capital and Debentures) Rules 2014]

Nature of Disclosures	Particulars
Options approved to be issued as ESOPs	2,75,00,000
Options Granted during the FY	2,59,65,000
Options Vested	NIL
Options Exercised	NIL
The total number of shares arising as a result of exercise of Options	NIL
Options Lapsed	80,000
Exercise Price	11.85
Variation in terms of Options	NIL
Money realized by exercise of Options;	NIL
Total number of options in force	2,58,85,000
Employee wise details of options granted during the year to:	
i. Key Managerial Personnel	1,30,00,000 (2 KMPs)
ii. any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during the year;	1,00,00,000 (5 Employees)
iii. identified employees who were granted options, during the year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the Company at the time of grant	1,10,00,000 (1 KMP)

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh Hiranandani
Non-Executive Director
DIN: 07661253

Place: Mumbai
Date: May 06 2026

Neha Hiranandani
Non-Executive Director
DIN: 01954865

Place: London
Date: May 06 2026

Annexure-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31 2026

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

To,
The Members,
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

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

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

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

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any Overseas Direct Investment and External Commercial Borrowings;

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI Listing Regulations'];

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;

   e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;

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

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025#;

Annexure-4 (Contd.)

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

#The Regulations or Guidelines, as the case may be, were not applicable to the Company for the period under review.

The list of Acts and Laws specifically applicable to the Company are given below:

vi. The Reserve Bank of India Act, 1934 read with applicable circulars/notifications/directions/guidelines/regulations issued by Reserve Bank of India from time to time as applicable to Systematically Important Non- Deposit Taking Non-Banking Finance Company;

vii. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

We report that, with regard to the laws specifically applicable to the Company as mentioned above, we have relied on the written representation made by the management in this regard.

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken the following events/actions –

1. The Finance and Investment Committee (F&I Committee) of the Company on April 28 2025, has approved raising of funds by way of further issuance of 5,000 secured, rated, listed and redeemable non-convertible debentures of face value of ₹1,00,000/- for an amount aggregating up to ₹50,00,00,000/-, in one or more tranches, on a private placement basis having ISIN INE07UF07026 and the allotment was made on May 08 2025.

2. Members' approval was obtained at the Extra-ordinary General Meeting held on July 28 2025 for issuance and offer of up to 18,90,35,917 Class A Equity Shares having face value of ₹10/- each at a premium of ₹32.32/- per equity share, by way of preferential issue on a private placement basis for an amount aggregating to ₹8,00,00,00,007.44/- to Nama Taano Pte. Ltd and the allotment was made by Board of Directors at their meeting held on August 08 2025.

Annexure-4 (Contd.)

3. The F&I Committee of the Company on March 23 2026, has approved the issuance and allotment of 7,500 secured, rated, listed and redeemable, non-convertible debentures of face value of ₹1,00,000/- amounting to ₹75,00,00,000/-, in one or more tranches, on a private placement basis having ISIN INE07UF07034 and the allotment was made on March 30 2026.
4. The Company has allotted 94,38,274 equity shares under its HFS Employee Stock Option Plan 2020.

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sampada Indap
Partner
ACS No.: 63871; C P No.: 28029
Mumbai | May 06 2026
ICSI UDIN: A063871H000286973

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

Annexure-4 (Contd.)

'ANNEXURE A'

To,

The Members,

HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED

CIN: U65999MH2017PTC291060

Our Secretarial Audit Report for the financial year ended March 31 2026 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. Where ever 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 Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sampada Indap
Partner
ACS No.: 63871; C P No.: 28029
Mumbai | May 06 2026
ICSI UDIN: A063871H000286973

Annexure-5
Corporate Governance Report

This report outlines compliance with requirements under the relevant provisions of the Companies Act, 2013 (**the "Act"**), the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**"the SEBI Listing Regulations"**), The Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended, and as applicable to the Hiranandani Financial Services Private Limited (**"HFS"/"the Company"**).

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

HFS is committed to maintaining the highest standards of corporate governance. The Company believes that sound governance practices emerge from well-defined processes that ensure that the Board of Directors (**"the Board"**) are equipped with timely and accurate information, sufficient resources, and unrestricted access to management. The Board is dedicated to safeguarding and enhancing long-term stakeholder value through independent, objective, and informed decision-making.

Our Board comprises of members with diverse backgrounds, professional expertise, and strong ethical standards, collectively ensuring effective oversight and strategic guidance. The management team, under the supervision of the Board and leadership of the Chief Executive Officer, diligently manages the Company's day-to-day operations. HFS remains steadfast in its endeavor to foster a culture of transparency, fairness, and accountability across all levels of the organization, in line with evolving corporate governance practices.

2) BOARD OF DIRECTORS

The Board of the Company is an apex body, which inter alia, oversees its overall functioning, provides a strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that the Company's actions and objectives are aligned in creating long-term value for its stakeholders.

A. Composition of the Board and attendance

The Board comprises of qualified and experienced persons with diverse skills, expertise, experience and practical knowledge in the matters relating to the business of the Company (competencies) whose insights have been invaluable to the management and have helped the Company retain its competitive advantage. The fundamental role of the Board is to exercise their business judgment whilst discharging their fiduciary obligation in the best interest of the Company and its stakeholders.

The Board has an optimum combination of Non-Executive Directors, Non-Executive Independent Directors and a Non-Executive Nominee Director. The Composition of Board is in conformity with the relevant provisions of the Companies Act, 2013, the RBI Regulations/Directions and the relevant Rules made thereunder, and the Articles of Association of the Company, as amended, from time to time.

As of March 31 2026, the Board comprised of 6 (six) Directors, of which 3 (three) are Non-Executive Independent Directors, 2 (two) are Non-Executive Directors (including 1 (one) woman director), and 1 (one) Non-Executive Nominee Director. The Directors present elect one amongst themselves to be the Chairperson of the meeting.

All Independent Directors of the Company possess the requisite integrity, skills, experience, expertise and domain knowledge in diverse fields, which are relevant to the business of the Company. The Company has received necessary disclosures and declarations from all Independent Directors confirming that they continue to meet the criteria of independence in accordance with the provisions of Section 149(7) of the Companies Act, 2013 read with the applicable rules framed thereunder, and other disclosures relating to their interest, observance to prohibition of Insider Trading regulations and adherence to the Company's Code of Conduct. The Independent Directors have also submitted declarations confirming compliance with the 'fit and proper' criteria as prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

Other than the sitting fees and commission payable to the Independent Directors, no remuneration is paid to any of the Non-Executive Directors.

The profile of the Directors of the Company is available on the Company's website at https://hfs.in/our-team/

During the year under review, the Board met 11 (Eleven) times, i.e. on May 10 2025, June 16 2025, July 24 2025, July 28 2025, August 08 2025, October 30 2025, November 10 2025, January 20 2026, February 10 2026, March 12 2026 and March 27 2026. The gap between two meetings did not exceed more than 120 (One hundred and Twenty) days, as per the provisions of the Act. The requisite quorum was present throughout the said meetings. During the period under review the Board has accepted the recommendations made by the respective Committees.

Sr. No.	Name of Director	Director Since	Capacity	DIN	No. of Board Meetings		Atten dance in the last AGM on September 18 2025	No. of other Director-ships##	Remuneration			No. of shares in and convertible instruments held in the NBFC###
					Held#	Attended			Salary and other compensation	Sitting Fee	Commission	
1.	Mr. Harsh S. Hiranandani	February 10 2017	Non-Executive Director	07661253	11	11	Yes	16	NIL	NIL	NIL	59,48,92,820 (Class A Equity Shares)
2.	Ms. Neha S. Hiranandani	February 10 2017	Non-Executive Director	01954865	11	02	Yes	07	NIL	NIL	NIL	14,63,63,637 (Class A Equity Shares)
3.	Mr. Utpal Sheth$	January 14 2020	Non-Executive Independent Director	00081012	11	06	Yes	13	NIL	NIL	NIL	NIL
4.	Mr. Prem Kumar Chophla	May 20 2022	Non-Executive Independent Director	09555408	11	11	Yes	NIL	NIL	25,00,000	NIL	NIL
5.	Mr. Anil Kaul	August 24 2023	Non-Executive Independent Director	00644761	11	10	Yes	02	NIL	19,00,000	6,00,000	NIL
6.	Mr. Kartikeya Kaji*	November 10 2025	Non-Executive Nominee Director	07641723	04	04	NA	06	NIL	NIL	NIL	NIL

**Mr. Kartikeya Kaji was inducted on the Board as a Nominee Director w.e.f. November 10 2025.*

#no. of board meetings held only includes the meetings that the director was entitled to attend.

##no. of other directorships includes directorships held in public limited companies, private limited companies, section 8 companies, but excludes directorships held in foreign companies.

###The Company does not have convertible instruments

$Mr. Utpal Sheth has waived receipt of sitting fees/remuneration

Note: Leave of absence was granted to the Directors wherever applicable

i) Details of change in composition of the Board during the current and previous financial year.

There was no change in the composition of the Board during the previous financial year.

During the current financial year, the changes in composition of the Board are as follows:

Sr. No.	Name of Director	Capacity	Nature of change	Effective date
1	Mr. Kartikeya Kaji	Non-Executive Nominee Director	Appointment	November 10 2025

ii) Details of any relationship amongst the directors inter-se

There are no inter-se relationships between the Board members except between Ms. Neha S Hiranandani and Mr. Harsh S. Hiranandani.

Ms. Neha S. Hiranandani is the sister of Mr. Harsh S Hiranandani.

iii) Details of no. of shares and convertible instruments held by non-executive directors

Details of equity shares held by Mr. Harsh S Hiranandani and Ms. Neha S Hiranandani, Non-Executive Directors of the Company, have been provided in the table above in Section 2 (A).

None of the Non-Executive Directors holds any convertible instruments of the Company.

iv) Confirmation about independence:

All the Independent Directors of the Company have given their declaration to the Company under Section 149(7) of the Act that they meet the criteria of independence and are not disqualified from continuing as Independent Directors. Also, they have registered themselves as an Independent Director in the data bank maintained by the Indian Institute of Corporate Affairs.

The Board had obtained the declaration of independence from all the Independent Directors declaring that they have complied with the criteria of Independence as envisaged under Section 149 of the Act.

The said independent directors have also confirmed that they are not on the Board of more than 3 (three) NBFCs (NBFC-Middle Layer or NBFC-Upper Layer), in line with the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

During the year under review, no independent director has resigned before the expiry of his tenure.

B. Committees of the Board and their composition

The Board has constituted various committees to monitor the activities as per their terms of reference.

The Company Secretary acts as the Secretary to the Board Committees.

The Board has constituted the following Committees, comprising Directors of the Company as the members of such Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Information Technology (IT) Strategy Committee
5. Corporate Social Responsibility Committee*
6. ESOP Committee
7. Wilful Default Review Committee (formerly known as Review Committee)
8. Finance and Investment Committee
9. Consumer Protection Committee#

**The Board constituted the said Committee w.e.f. June 16 2025.*
#The Board reconstituted the said Committee w.e.f. February 10 2026.

The Company has constituted the following Committees, comprising of Senior Management Executive of the Company as the members of such Committees:

1. Asset Liability Committee
2. Information Security Committee
3. IT Steering Committee
4. Identification Committee
5. Internal Complaints Committee
6. Committee of Executives
7. New Product Committee

1. Audit Committee

Pursuant to the provisions of Section 177 of the Act and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Board has constituted the Audit Committee of the Board (ACB).

The ACB comprises of 5 (Five) members, including 3 (Three) Non-Executive Independent Directors, 1 (One) Non-Executive Director and 1 (One) Non-Executive Nominee Director. The Chairman of the meetings of the ACB is an independent director.

All the members of the Audit Committee are financially literate and have accounting and related financial management expertise.

During the FY 2025-26, the ACB met 6 (six) times, viz. May 09 2025, June 16 2025, July 28 2025, August 07 2025, October 30 2025 and February 10 2026. The gap between two meetings did not exceed 120 (One Hundred and Twenty) days, as per the provisions of the Act.

In addition to the members of the Audit Committee, these meetings were attended by the Chief Executive Officer, Chief Financial Officer, representatives of Statutory Auditor, Internal Auditor and other senior Management Executives of the Company, wherever necessary for providing inputs to the Committee. The Company Secretary acted as the Secretary to the Committee.

Composition of the Audit Committee and attendance record of the members for FY 2025-26 is as follows:

Sr. No.	Name of the Director	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Utpal Sheth	June 15 2022	Non-Executive, Independent Director	06	04	NIL
2	Mr. Prem Kumar Chophla	June 15 2022	Non-Executive, Independent Director	06	06	NIL
3	Mr. Harsh S. Hiranandani	May 22 2023	Non-Executive Director	06	06	59,48,92,820 (Class A Equity Shares)
4	Mr. Anil Kaul#	November 10 2025	Non-Executive, Independent Director	01	01	NIL
5	Mr. Kartikeya Kaji#	November 10 2025	Non-Executive Nominee Director	01	01	NIL

@no. of meetings held only includes the meetings which the director was entitled to attend.

#The composition of the Audit Committee was changed at the Board meeting held on November 10 2025, pursuant to the induction of Mr. Kartikeya Kaji and Mr. Anil Kaul as members of the Committee.

Note: Leave of absence was granted to the Directors/Members wherever applicable.

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

a. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

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

c. Examining the financial statement and the auditors' report thereon;

d. Approval or any subsequent modification of transactions of the Company with related parties;

e. Scrutiny of inter-corporate loans and investments;

f. Valuation of undertakings or assets of the Company, wherever it is necessary;

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

h. Monitoring the end use of funds raised through public offers and other related matters;

i. Functioning of the Vigil Mechanism Framework of the Company;

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

k. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

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

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

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

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

vi. Disclosure of any related party transactions;

vii. Modified opinion(s) in the draft audit report.

l. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

m. Discussion with the auditors periodically on internal control systems, scope of audit including observations of the auditors, and reviewing the financial statements before submission to the Board and ensuring compliance of internal control system;

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

o. Ensuring Information system audit of the internal systems and processes to assess operational risks faced by the Company in accordance with the requirements stipulated by RBI;

p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the Board;

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

r. Recommendation on financial management including audit report which shall be binding on the Board;

s. Investigation into any matter in relation to the items given above or referred to it by the Board and power to seek information from an employee or seek professional advice from external sources and have full access to information contained in the records of the Company;

t. Right to call for the comments of the auditors about internal control systems, the scope of audit and discuss any related issues with the internal and statutory auditors and the management of the Company;

u. Carrying out any other function as prescribed by Board from time to time or as required under any applicable Regulation.

2. Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Act and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Board has constituted the Nomination and Remuneration Committee (NRC). The NRC comprised four members, including 2 (Two) Independent directors, 1 (One) Non-Executive Director and 1 (One) Non-Executive Nominee Director. The Chairman of the NRC is an Independent Director.

During the year under review, the NRC met 6 (six) times on May 09 2025, June 16 2025, August 07 2025, October 30 2025, November 10 2025 and January 20 2026.

Composition of the NRC and attendance record of the members for FY 2025-26:

Sr. No.	Name of the Director	Member of Committee since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Utpal Sheth	June 15 2022	Non-Executive, Independent Director	06	03	NIL
2	Mr. Prem Kumar Chophla	June 15 2022	Non-Executive, Independent Director	06	06	NIL
3	Mr. Harsh S. Hiranandani	June 15 2022	Non-Executive Director	06	06	5,94,892,820 (Class A Equity Shares)
4	Mr. Kartikeya Kaji#	November 10 2025	Non-Executive Nominee Director	01	01	NIL

@no. of meetings held only includes the meetings which the director was entitled to attend.

#The composition of the NRC was changed during the Board meeting on November 10 2025, pursuant to the induction of Mr. Kartikeya Kaji as the member of the Committee.

Note: Leave of absence was granted to the Directors/Members wherever applicable

The terms of reference of NRC include the following:

a. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. To formulate the criteria for evaluation of the performance of the Board, its Committee and individual Director including Independent Director;

c. To identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

d. To ensure 'fit and proper' status of existing/proposed reference directors by obtaining necessary information and declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board;

e. To undertake process of due diligence at the time of initial appointment and also prior to reappointment;

f. To recommend to the Board, appointment and removal of Director, Key Managerial Personnel (**"KMP"**) and Senior Management Personnel (**"SMP"**);

g. To determine and recommend to the Board the remuneration payable to the directors;

h. To recommend the compensation for the CEO & MD, and each of the Leadership Team members, which will be further ratified by the Board of the Company;

i. Carrying out any other function as prescribed by Board from time to time or as required under any applicable Regulation.

Corporate Overview
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3. Risk Management Committee (RMC)

Pursuant to the provisions of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Board has constituted the Risk Management Committee (RMC). The RMC comprises six members, including 4 (four) Directors, i.e. 2 (Two) Independent Director, 1 (One) Non-Executive Director and 1 (One) Non-Executive Nominee Director and 2 (Two) Senior Management Members. The composition of the RMC was re-constituted on November 10 2025.

The Company has formulated and adopted the Integrated Enterprises Risk Management (IERM) framework to oversee the risk management of the organization. During the year under review, the RMC met 6 (six) times, i.e. on May 10 2025, June 16 2025, August 08 2025, October 30 2025, January 20 2026 and February 10 2026.

Composition of the RMC and attendance record of the members for FY 2025-26:

Sr. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Harsh S. Hiranandani	June 28 2021	Non-Executive Director	06	06	5,94,892,820 (Class A Equity Shares)
2	Mr. Prem Kumar Chophla	June 15 2022	Non-Executive, Independent Director	06	06	NIL
3	Mr. Anil Kaul	November 13 2024	Non-Executive, Independent Director	06	05	NIL
4	Mr. Kartikeya Kaji#	November 10 2025	Non-Executive Nominee Director	02	02	NIL
5	Mr. Uday Suvarna	July 16, 2019	Chief Executive Officer	06	06	30,00,000 (Class B Equity Shares)
6	Mr. Manish Odeka	July 16, 2019	Chief Risk Officer	06	06	NIL
7	Mr. Kartik Nagda#	July 16, 2019	Chief Business Officer	04	02	NIL
8	Mr. Dheeraj Mittal#	July 16, 2019	Chief Operating Officer	04	03	NIL
9	Mr. Rajesh Rajak#	December 03 2022	Chief Financial Officer	04	04	NIL

@no. of meetings held only includes the meetings to which the director/member was entitled to attend.
#Consequent to the appointment of Mr. Kartikeya Kaji as a Nominee Director on the Board of the Company, the composition of the RMC was changed in the Board meeting dated November 10 2025, following the addition of Mr. Kartikeya Kaji as the member of the Committee and cessation of Mr. Kartik Nagda, Mr. Dheeraj Mittal and Mr. Rajesh Rajak as members of the Committee.

Note: Leave of absence was granted to the Directors/Members wherever applicable.

The terms of reference of RMC include the following:

a. Identifying, measuring and monitoring the various risks faced by the Company;

b. Mitigating various risks associated with functioning of the Company;

c. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

d. Developing the Policies and verifying the Models that are used for risk measurement from time to time;

e. To ensure the Risk Management Policy and the other policies including Know Your Customer & Anti Money Laundering Policy (KYC Policy) are properly implemented and followed; and

f. Such other functions as delegated by the Board from time to time.

4. IT Strategy Committee

Pursuant to Master Direction on Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 issued by RBI dated November 07 2023, for the NBFC sector, the Company has constituted an IT Strategy Committee.

The Committee comprised 4 (Four) members, including 1 (One) Independent Director, 2 (Two) Non-Executive Directors and 1 (One) Senior Management member of the Company. Further, pursuant to the above circular, the Chief Information Security Officer (CISO) is the permanent Invitee to the Committee.

During the year under review, the IT Strategy Committee met 4 (four) times, viz. May 05 2025, August 07 2025, October 29 2025 and February 09 2026.

Composition of the IT Strategy Committee and attendance record of the members for FY 2025-26:

Sr. No.	Name of the Director/Member	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Prem Kumar Chophla (Chairman)	June 15 2023	Non-Executive, Independent Director	04	04	NIL
2	Mr. Harsh S. Hiranandani	June 15 2023	Non-Executive Director	04	04	59,48,92,820 (Class A Equity Shares)
3	Ms. Neha S. Hiranandani	March 26 2024	Non-Executive Director	04	02	14,63,63,637 (Class A Equity Shares)
4	Mr. Aditya Nabar	June 15 2023	Chief Information Officer	04	04	NIL
6	Mr. Manish Odeka#	June 15 2023	Chief Risk Officer	03	03	NIL
5	Mr. Dheeraj Mittal#	June 15 2023	Chief Operating Officer	03	03	NIL

@no. of meetings held only includes the meetings to which the director/member was entitled to attend.

#The composition of the IT strategy was re-constituted pursuant to the circular resolution passed by the Board of Directors on January 08 2025, following the cessation of Mr. Manish Odeka and Mr. Dheeraj Mittal as members of the Committee.

Note: Leave of absence was granted to the Directors/Members wherever applicable

The terms of reference of the IT Strategy Committee include the following:

a. Approving and periodically reviewing Information Technology (**"IT"**) strategy and all IT policies;

b. Ensuring that the management has put an effective strategic planning process in place;

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

d. Ensuring IT investments represent a balance of risks and benefits and that budgetary allocations for the IT function, cyber security is commensurate with the Company's IT infrastructure and prospects;

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

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

g. Instituting an effective governance mechanism, IT and cyber security risk management processes including for all outsourced IT operations and to review its efficiency and effectiveness; and

h. Carrying out any other function as prescribed by Board from time to time or as required under any applicable Regulation.

5. Corporate Social Responsibility Committee

During the year under review, given that the Company's CSR obligation had exceeded the threshold limit of ₹50 Lakhs, the formation of a CSR Committee had become mandatory in accordance with the provisions of Section 135 (9) of the Companies Act, 2013. Accordingly, the Board of Directors at its meeting held on June 16 2025, constituted the Corporate Social Responsibility Committee of the Company as per the provisions of the Companies Act, 2013.

The Committee comprised 3 (Three) members, including 2 (Two) Non-Executive Directors and 1 (One) Independent Director of the Company. The members present elect one amongst themselves to be the Chairperson of the meeting.

During the year under review, the CSR Committee met 1 (One) time on February 09 2026.

Sr. No.	Name of the Director/Member	Member of Committee Since	Capacity	No. of meetings of the Committee[@]		No. of Shares held in the Company
				Held	Attended	
1	Mr. Prem Kumar Chophla	June 16 2025	Non-Executive, Independent Director	1	1	NIL
2	Mr. Harsh S. Hiranandani	June 16 2025	Non-Executive, Director	1	1	59,48,92,820 (Class A Equity Shares)
3	Ms. Neha S. Hiranandani	June 16 2025	Non-Executive, Director	1	0	14,63,63,637(Class A Equity Shares)

[@]*no. of meetings held only includes the meetings to which the director/member was entitled to attend.*

Note: Leave of absence was granted to the Directors/Members wherever applicable

The terms of reference of the CSR Committee include the following:

a. Periodically review the existing CSR Policy and recommend any changes to the Board, based on evolving statutory requirements or business priorities.

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

c. Monitor the implementation of the CSR Policy from time to time and ensure that the programs and projects are aligned with the policy objectives.

d. Oversee the execution of CSR projects, including monitoring of timelines, fund utilization, and impact assessment where applicable.

e. Review and recommend the Annual Report on CSR activities to be included in the Board's Report as per the applicable rules.

f. Ensure compliance with the provisions of the Companies Act, 2013 and the applicable CSR Rules, including maintenance of documentation and disclosures on the Company's website.

g. Any other activities as may be required by the Board from time to time.

6. ESOP Committee

For the purpose of smooth implementation and administration of various ESOP Schemes to be introduced by the Company from time to time, the ESOP Committee was constituted on June 03 2020.

The ESOP Committee comprised of 2 (Two) members, i.e. 2 (Two) Non-Executive Directors. The members present elect one amongst themselves to be the Chairperson of the meeting

The Committee's terms of reference include selecting employees eligible for stock options, determining the number and terms of such options under various ESOP schemes, and approving related documentation. It will set conditions for vesting and exercising options, which may include performance criteria, and may waive forfeiture restrictions or impose limitations based on its discretion.

The ESOP Committee is also responsible for interpreting the ESOP terms, handling fair adjustments during corporate actions (like mergers or stock splits), managing procedures for cashless exercises, and ensuring tax compliance by the optionees before issuing equity shares.

During the year under review, the ESOP Committee met twice, viz. on May 30 2025 and October 15 2025.

Composition of the ESOP and attendance record of the members for FY 2025-26, is as under:

Sr. No.	Name of the Member	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Harsh S Hiranandani	June 03 2020	Non-Executive Director	02	02	59,48,92,820 (Class A Equity Shares)
2	Ms. Neha S Hiranandani	June 03 2022	Non-Executive Director	02	02	14,63,63,637 (Class A Equity Shares)

@no. of meetings held only includes the meetings to which the director/member was entitled to attend.

Note: Leave of absence was granted to the Directors/Members wherever applicable.

7. Wilful Default Review Committee *(Formerly known as Review Committee)*

The Company had constituted the Wilful Default Review Committee on October 28 2024, pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025 dated November 28 2025. The Nomenclature of the Committee has changed to Wilful Default Review Committee *(Formerly known as Review Committee)* w.e.f. February 10 2026.

The Committee comprises 3 (Three) members, including 2 (Two) Independent Directors of the Company.

The Chief Executive Officer acts as the Chairman of the meeting.

The Wilful Default Review Committee shall consider the proposal of the Identification Committee, along with any written representations received from the borrower, guarantor, promoter, director, or other responsible persons. It will also provide an opportunity for a personal hearing for these individuals. After reviewing all relevant facts and materials, the committee will take a decision and pass a reasoned order, which will be communicated to the willful defaulter. Additionally, the Committee shall perform any other functions as may be delegated by the Board, from time to time.

During the year under review, the Wilful Default Review Committee met 3 (three) times viz. October 13 2025, October 30 2025 and January 20 2026.

Composition of the Wilful Default Review Committee and attendance record of the members for FY 2025-26 are as follows:

Sr. No.	Name of the Member	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Uday Suvarna (Chairman)#	October 28 2024	Chief Executive officer	03	03	30,00,000 (Class-B Equity Shares)
2	Mr. Prem Kumar Chophla	October 28 2024	Non-Executive, Independent Director	03	03	NIL
3	Mr. Anil Kaul	October 28 2024	Non-Executive, Independent Director	03	03	NIL
4	Mr. Rajesh Rajak#	October 28 2024	Chief Financial Officer	03	02	NIL

@no. of meetings held only includes the meetings which the director/member was entitled to attend.

#The Review Committee was re-constituted to align with the RBI Directions to ensure better compliances. Accordingly, Mr. Rajesh Rajak ceased to be the member w.e.f. February 10 2026 and Mr. Uday Suvarna was appointed as a permanent Chairman of the said Committee

Note: Leave of absence was granted to the Directors/Members wherever applicable.

8. Finance and Investment Committee (FIC)

The Board of the Company had constituted the Finance and Investment Committee (FIC) on February 02 2022. As of March 31 2026, the Finance and Investment Committee comprises of 4 (four) members, which includes 2 (Two) Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer.

During the year under review, the Committee met 18 (Eighteen) times, viz. April 28 2025, May 07 2025, May 08 2025, June 16 2025, June 27 2025, July 08 2025, July 16 2025, August 08 2025, August 30 2025, September 02 2025, September 10 2025, October 30 2025, December 15 2025, February 04 2026 February 13 2026, March 12 2026, March 23 2026 and March 30 2026.

Composition of the FIC and attendance record of the members for FY 2025-26, is as under:

Sr. No.	Name of the Member	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Harsh S. Hiranandani	May 22 2023	Non-Executive Director	18	18	59,48,92,820 (Class A Equity Shares)
2	Ms. Neha S. Hiranandani	May 22 2023	Non-Executive Director	18	02	14,63,63,637 (Class A Equity Shares)
3	Mr. Uday Suvarna	May 22 2023	Chief Executive Officer	18	18	30,00,000 (Class-B Equity Shares)
4	Mr. Rajesh Rajak	May 22 2023	Chief Financial Officer	18	18	NIL

@no. of meetings held only includes the meetings to which the director/member was entitled to attend.

Note: Leave of absence was granted to the Directors/Members wherever applicable.

The terms of reference of the Finance and Investment Committee are as under:

a. 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 of the Company from time to time;

b. To issue, offer and allot non-convertible debentures/bonds, Commercial Papers and other securities;

c. To secure the fulfillment 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;

d. 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;

e. 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, shares and to transfer shares, debentures and other securities;

f. 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;

   iii. avail various services Corporate Internet Banking (CIB) and Cash Management Services (CMS);

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. furnish, sign, execute and deliver such applications, documents, indemnities and/or declarations and/or affidavits on behalf of the Company in favor 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;

g. To execute from time to time counter guarantees in favor 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;

h. To receive and give effectual receipts and discharges for and on behalf of the Company for moneys, funds, goods and property, lent to or payable or belonging to the Company;

i. To represent the Company either personally or otherwise before Central and State Governments and all other Authorities whether Municipal, Revenue or Judicial or such other local authorities or any Bodies Corporate, as the case may be;

j. To execute, sign, certify any agreement, Memorandum of Understanding, undertaking, document, deed and other writings in relation to the day-today activities of the Company;

k. Approve the investment products identified and recommended for investment;

l. Periodically review the accuracy and appropriateness of methods being used for Investments;

m. Monitor the Accounting of Investments in accordance with applicable regulatory framework; and

n. Populate List of Approved investments;

o. To delegate any of the powers stated above to any official(s) as may be deemed appropriate.

p. Any other responsibility(ies) as may be assigned by the Board of Directors from time to time.

9. Consumer Protection Committee

The Company had constituted the Consumer Protection Committee on March 25 2025, pursuant to Master Direction of the Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025, dated January 06 2025.

However, pursuant to the revised Master Direction on Credit Information Reporting on November 28 2025, the requirement for Credit Institutions (CIs) is to maintain a structured complaint redressal mechanism and to set up a Consumer Protection Committee at the Board level.

In order to align with the revised regulatory requirements and to further strengthen Board-level oversight of customer protection and grievance redressal mechanisms, the Board of Directors at its meeting held on February 10 2026 had re-constituted the Consumer Protection Committee.

During the year under review, the Committee met 4 times viz. April 18 2025, September 12 2025, November 14 2025 and January 13 2026.

The Composition of the Consumer Protection Committee and attendance record of the members for FY 2025-26 are as follows:

Sr. No.	Name of the Member	Member of Committee Since	Capacity	No. of meetings of the Committee@		No. of Shares held in the Company
				Held	Attended	
1	Mr. Dheeraj Mittal (Permanent Invitee w.e.f. February 10 2026)*	March 25 2025	Chief Operating Officer & Grievance Redressal Officer	04	04	NIL
2	Mr. Kartik Nagda*	March 25 2025	Chief Business Officer	04	04	NIL
3	Ms. Meenu Gupta*	March 25 2025	Chief Compliance Officer	04	03	NIL
4	Mr. Sachin Arora*	March 25 2025	Head- Operation	04	04	NIL
5	Mr. Harsh S. Hiranandani**	February 10 2026	Non-Executive Director	NIL	NIL	59,48,92,820 (Class A Equity Shares)
6	Mr. Kartikeya Kaji**	February 10 2026	Non-Executive Nominee Director	NIL	NIL	NIL
7	Mr. Prem Kumar Chophla**	February 10 2026	Non-Executive Independent Director	NIL	NIL	NIL

@no. of meetings held only includes the meetings to which the director/member was entitled to attend.

**Mr. Kartik Nagda, Ms. Meenu Gupta, Mr. Sachin Arora ceased to be the members w.e.f. February 10 2026 and Mr. Dheeraj Mittal ceased to the member and shall act as a Permanent Invitee to the Committee w.e.f. February 10 2026.*

***Further, Mr. Harsh S. Hiranandani, Mr. Kartikeya Kaji and Mr. Prem Kumar Chophla were inducted as members w.e.f. February 10 2026.*

Note: Leave of absence was granted to the Directors/Members wherever applicable.

The terms of reference of the Consumer Protection Committee are as follows:

The Consumer Protection Committee shall establish a structured grievance redressal mechanism to ensure swift and effective resolution of consumer complaints, with a focus on updating and correcting credit information to prevent litigation. It will implement dispute resolution processes, set strict turnaround times, monitor and improve the grievance handling system, and ensure regulatory compliance.

The Consumer Protection Committee will provide quarterly reports to the Board, promote consumer awareness, periodically review policies for efficiency, and carry out any additional functions as recommended by the Board.

OTHER COMMITTEES CONSTITUTED BY THE BOARD:

1. Asset Liability Committee (ALCO)

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, the Company has in place an Asset Liability Management Committee. The Committee comprises of Senior Management Executives of the Company. The Chief Executive Officer chairs the meetings of the Committee. The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically, covering liquidity risk management, management of market risks, funding and capital planning etc. The proceedings of the Committee are placed before the Board for their noting and review.

The said Committee meets on a quarterly basis and as required. During the year under review, the said Committee met 4 (four) times on June 16 2025, August 25 2025, October 29 2025 and February 06 2026.

The terms of reference of ALCO include the Liquidity Risk Management, Management of Interest Rate Risk, Funding & Capital Planning, Forecasting and analyzing 'What If' scenarios relating to liquidity, preparation of contingency plans and Review and approval of Benchmark Rate.

2. **Information Security Committee**

The Company has constituted the Information Security Committee pursuant to the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India dated November 07 2023. The Committee comprises Senior Management Executives of the Company.

The role of the IT Security Committee involves managing cyber and information security, mitigating potential risks, and ensuring the protection of information resources. Responsibilities include developing and implementing information/cyber security policies, procedures, and standards, as well as overseeing and approving security projects, budgets, and priorities. It also entails reviewing security awareness initiatives, monitoring cyber incidents, conducting risk assessments, and addressing audit findings. Regular assessment of emerging security issues and third-party cyber risks is crucial, alongside supervising vulnerability assessments and penetration testing. The role requires reporting to the IT Strategy Committee and the CEO, and fulfilling additional functions as directed by the Board or regulatory requirements.

During the year under review, the Committee met 4 times, viz. April 18 2025, July 15 2025, October 09 2025 and January 13 2026.

3. **Information Technology (IT) Steering Committee**

The Company had constituted the IT Steering Committee pursuant to the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India dated November 07 2023. The Committee comprises of Senior Management Executives of the Company. During the year under review, the IT Steering Committee was convened at various intervals as necessary.

The IT Steering Committee's terms of reference include assisting the Board and IT Strategy Committee with strategic IT planning and ensuring IT aligns with business needs. It oversees business continuity processes, risk management, and prioritization of critical functions and disaster recovery. The committee reviews progress on key IT projects and ensures a robust IT architecture that complies with statutory and regulatory requirements. It also provides regular updates to the IT Strategy Committee and Chief Executive Officer (CEO) and performs any other duties assigned by the Board or required by regulations.

During the year under review, the Committee met 4 times, viz. April 18 2025, July 15 2025, October 03 2025 and January 14 2026.

4. **Identification Committee**

The Company had constituted the Identification Committee on October 28 2024, pursuant to the Reserve Bank of India (Non-Banking Financial Companies - Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, dated November 28 2025, issued by the Reserve Bank of India. The Committee comprises of Senior Management Executives of the Company.

The Identification Committee is responsible for examining and approving the identification of borrowers, guarantors, promoters, directors, or key management personnel as "Willful Defaulters" and referring such cases to the Wilful Default Review Committee. It shall issue

Show Cause Notices to the identified individuals, allowing them 21 days to respond, and subsequently propose their classification as willful defaulters with written justification. The committee also evaluates whether criminal proceedings should be initiated based on case specifics and carries out any additional tasks assigned by the Board.

During the year under review, the Committee met 7 times, viz. May 15 2025, August 28 2025, September 23 2025, October 17 2025, November 11 2025, January 27 2026 and February 24 2026.

5. Internal Complaints Committee (ICC)

The Company had constituted the Internal Complaints Committee (ICC) pursuant to the adoption of Policy for Prevention of Sexual Harassment at the workplace at the entity level on December 29 2020. It takes appropriate remedial measures in cases of substantiated allegations and works to prevent and discourage sexual harassment in the workplace. Additionally, the ICC may recommend action against a complainant if a complaint is found to be false or malicious, or if false evidence is provided.

Since no complaints were received hence no meeting was held during the year.

6. Committee of Executives (COE)

The Company had constituted the Committee of Executives (COE) on October 28 2024, pursuant to the Master Direction on Fraud Risk Management in Non-Banking Financial Companies dated July 15 2024, issued by the Reserve Bank of India, which shall meet once in a quarter or such other interval as the Board may deem fit.

The Committee of Executives is tasked with overseeing the Fraud Risk Management Framework and reviewing the Internal Control System. It is responsible for examining instances of fraud, conducting root cause analyses, and recommending measures to strengthen internal controls and reduce fraud occurrences. Additionally, the committee will carry out other functions as delegated by the Board from time to time.

During the year under review, the Committee met 4 times, viz. June 17 2025, September 23 2025, November 07 2025 and March 23 2026.

7. New Product Committee

The Company had constituted the New Product Committee on March 25 2025, pursuant to the Framework for Compliance Function and Role of Chief Compliance Officer in Non-Banking Financial Companies in Upper Layer and Middle Layer (NBFC-UL & NBFC-ML) issued by RBI on April 11 2022. The Committee comprises of Senior Management Executives of the Company. The Chief Executive Officer chairs the meetings of the Committee.

The New Product Committee is responsible for reviewing and approving new products before launch and closely monitoring them for at least six months post-launch. It identifies and manages compliance and credit risks related to both new and existing products by implementing appropriate mitigants.

The New Product Committee also assesses the financial benefits, liquidity costs, and evaluates business projections to ensure profitability and support strategic growth. Additionally, it ensures that new products align with the Company's overall business strategy and long-term goals, while also performing any other duties assigned by the Board.

Since no new product was launched hence no meeting was held during the year.

3) GENERAL BODY MEETINGS

a. Details of the Annual General meetings held in the previous three financial years are as follows:

Sr. No.	Type of Meeting (Annual/Extra-Ordinary)	Date and Place	Special Resolutions passed
1	Annual General Meeting (through Audio Visual Means)	September 18 2025, at 1:30 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution – NIL
2	Annual General Meeting (through Audio Visual Means)	July 02 2024, at 5:00 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 02 Special Resolution – 01
3	Annual General Meeting (through Audio Visual Means)	September 29 2023, at 5:30 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution – 01
4	Annual General Meeting (through Audio Visual Means)	September 30 2022, at 10:45 a.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution – 01

Brief particulars of the Special resolution passed during the said period are as under: -

Sr. No.	Annual General meeting date	Brief particulars of Special Resolutions passed
1	September 18 2025	Special Resolution - NIL
2	July 02 2024	Special Resolution – 01 (To approve the issue of Non-Convertible Debentures on private placement basis)
3	September 29 2023	Special Resolution – 01 (Appointment of Mr. Anil Kaul (DIN: 00644761) as an Independent Director of the Company)
4	September 30 2022	Special Resolution – 01 (Appointment of Mr. Prem Kumar Chophla (DIN: 09555408) as an Independent Director of the Company)

b. Details of the Extra-Ordinary General Meetings held during the previous three financial years are as follows:

Sr. No.	Extra-Ordinary General Meeting	Particulars	Nature of Resolution passed
1	Extra-Ordinary General Meeting	November 10 2025 at 5:15 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution - 0
2	Extra-Ordinary General Meeting	August 08 2025 at 4:30 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – NA Special Resolution – 01
3	Extra-Ordinary General Meeting	July 28 2025 at 8:00 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – NA Special Resolution – 01
4	Extra-Ordinary General Meeting	June 17 2025 at 5:35 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution – 0

Sr. No.	Extra-Ordinary General Meeting	Particulars	Nature of Resolution passed
5	Extra-Ordinary General Meeting	March 28 2025 at 6:00 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – 01 Special Resolution – 02
6	Extra-Ordinary General Meeting	January 06 2025 at 10:00 a.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – NA Special Resolution – 01
7	Extra-Ordinary General Meeting	February 27 2024 at 2:33 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – NA Special Resolution – 01
8	Extra-Ordinary General Meeting	May 04 2023 at 1:40 p.m. at the Corporate office at 9th floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai -400076	Ordinary Resolution – NA Special Resolution – 04

All the resolutions, including special resolutions, were passed by the shareholders as set out in the respective notices. Further, during the year, the Company has not passed any resolutions through a postal ballot

Brief particulars of the Special resolutions passed during the previous three financial years are as follows:

Sr. No.	Extra-Ordinary General Meeting	Particulars
1	November 10 2025	Special Resolution - Nil
2	August 08 2025	Special Resolution – 01 (To adopt the amended and restated Articles of Association of the Company)
3	July 28 2025	Special Resolution – 01 (To approve issue and offer, of up to 18,90,35,917 fully paid-up class A Equity Shares by way of preferential issue on a private placement basis, having a face value of ₹10 each at a premium of ₹32.32 per share, aggregating to an amount of upto ₹8,00,00,00,007.44/- and approval of the draft offer letter (form PAS-4)
4	June 17 2025	Special Resolution -Nil
5	March 28 2025	Special Resolution – 02 (To approve the enhancement of borrowing powers of the Company) (To grant powers to create charges, mortgages and hypothecation on the assets of the Company)
6	January 06 2025	Special Resolution – 01 (To approve the re-appointment of Mr. Utpal Sheth as the Independent Director of the Company for a 2nd term of 5 years)

Sr. No.	Extra-Ordinary General Meeting	Particulars
7	February 27 2024	Special Resolution – 01 (To approve the increase in the ESOP pool, grant options and amendment in the HFS Employee Stock Option Scheme 2020)
8	May 04 2023	Special Resolution – 04 (To approve the enhancement of borrowing powers of the Company) (To grant powers to create charges, mortgages and hypothecation of the assets of the Company) (Approval of issue of Non-Convertible Debentures on private placement basis) (To alter the Articles of Association of the Company)

4) DETAILS OF DEBENTURE TRUSTEE (DT)

Name of Debenture Trustee	Address	Contact Details
Catalyst Trusteeship Limited	901, 9th Floor, Tower – B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013	Tel: - +91 22 49220555

5) REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS (RTA)

Name of the RTA	Address	Contact Details
For Non-Convertible Debentures (NCD's): - MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)	C-101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India	Tel: - +91 810 811 4949 Fax: - +91 22 4918 6195
For Equity Shares: - KFIN Technologies Limited	301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai 400 070 Maharashtra, India	Tel: - +91 22 46170911

All the Equity Shares and NCD's of the Company as on March 31 2026, are held in the dematerialized form

6) DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF THE COMPANIES ACT, 2013

During the year under review, the Company has complied with all the requirements as prescribed under the Companies Act, 2013, the relevant rules, including rules, regulations, guidelines, and standards made thereunder.

7) DETAILS OF PENALTIES AND STRICTURES

No penalties or strictures have been imposed on the Company by Reserve Bank of India or any other statutory authority(ies) or regulator(s).

However, the BSE Limited had imposed a fine of ₹5,900/- (including taxes) for non-compliance under Regulation 50(1)(d) of SEBI (LODR) Regulations, 2015.

Month	Regulation	Fine Amount (₹)
May 2025	50(1)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 – for a typographical error that occurred in the PDF version of the filing*	5,900/- (Including taxes)

In reference to the SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29 2022; BSE Limited, through its email dated June 30 2025, levied a fine on the Company for non-compliance under Regulation 50(1)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company made the payment to the Stock Exchange on July 14 2025, in compliance with the Exchange direction. Additionally, a representation was made to BSE Limited requesting a waiver of the imposed fine. Accordingly, BSE Limited vide its e-mail dated March 09 2026, had approved the waiver of the fine amount.

8) BREACH OF COVENANT

There have been no instance(s) of breach of covenant in respect of the loans availed by the Company.

9) DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

i) No additional provisioning requirements have been assessed by Reserve Bank of India exceeding 5% of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31 2025 and March 31 2026, respectively.

ii) Reserve Bank of India has not identified additional GNPAs exceeding 5% of reported GNPAs for the financial year ended March 31 2025 and March 31 2026, respectively.

For and on behalf of the Board of Directors
Hiranandani Financial Services Private Limited

Harsh S. Hiranandani
Non-Executive Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Non-Executive- Director
DIN: 01954865
Place: London
Date: May 06 2026

Annexure-6
Management Discussion and Analysis Report

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

A. Global Economic Overview

Global supply chains remained volatile due to the West Asia conflict, shifting tariff regimes, and disruptions in key trade routes. Concerns around the Strait of Hormuz drove a sharp rise in energy prices, with Brent crude crossing USD 100 per barrel and natural gas prices increasing significantly.

For energy-importing economies, this led to heightened inflationary pressures through higher fuel costs, currency volatility, and weaker consumption. While diplomatic efforts may offer near-term relief, ongoing geopolitical uncertainty remains a key macroeconomic risk, with sustained regional stability critical for easing inflation and supporting global trade.

B. Indian Economic Overview

India remains the world's fastest-growing major economy despite the global turbulence. The IMF's April 2026 World Economic Outlook has raised India's GDP growth forecast for FY 2026–27 to 6.5%, underpinned by resilient domestic demand, favorable carryover momentum, reduced US tariffs on Indian goods (from 50% to 10%), and continued structural reforms. For FY 2025–26, India's GDP growth is estimated at approximately 6.5%, reinforcing its position as a key anchor of growth among emerging markets.

India is vulnerable to energy shocks in West Asia given its high dependence on imported crude oil and LPG, with elevated prices putting pressure on the current account, currency, and domestic fuel costs. While government subsidies may partly cushion the impact, sustained energy inflation could lead to higher fiscal pressures and a gradual rise in inflation during FY 2026–27.

On the monetary front, the Reserve Bank of India (RBI) reduced the repo rate by a cumulative 100 basis points during FY 2025–26. It also reduced the Cash Reserve Ratio (CRR) by 100 basis points to 3%, releasing around ₹2.5 Lakhs Crore of liquidity into the banking system.

C. MSME Sector Overview

Micro, Small, and Medium Enterprises (MSMEs) remain the bedrock of India's real economy, contributing over 30% of GDP and employing approximately 24.14 Crore people across more than 5.93 Crore enterprises as of February 2025. MSME exports have demonstrated remarkable resilience, surging from ₹3.95 Lakhs Crore in FY 2020–21 to ₹12.39 Lakhs Crore in FY 2024–25, with exporting entities growing more than threefold. Government ambitions to raise MSME's contribution to GDP to 50% over the medium term underscore the sector's strategic centrality.

The aggregate financing requirement of the MSME sector is estimated at ₹134.40 Lakhs Crore, with formal debt demand at ₹106.11 Lakhs Crore — of which a substantial portion remains unmet, particularly for micro and small enterprises. NBFCs have stepped decisively into this gap, outpacing banks in MSME credit growth. MSME-related assets under management (AUM) across NBFCs are expected to cross ₹5.3 Lakhs Crore by FY 2025–26, reflecting the structural and enduring nature of this opportunity.

Government-led enablers — including the TReDS platform for invoice discounting, Unified Lending Interface (ULI) integrations, and enhanced budget allocations — are systematically improving formal credit access for MSMEs. Semi-urban and rural geographies continue to contribute disproportionately to credit demand, with 52% of Micro segment loan origination volumes and 42% of Small segment originations emanating from these markets — precisely the segments where Hiranandani Financial Services (HFS) has built deep and differentiated capabilities.

D. Regulatory Landscape

During FY 2025–26, the regulatory framework governing NBFCs witnessed continued refinement under the guidance of the Reserve Bank of India, with emphasis on streamlining regulatory instructions and enhancing ease of compliance. A significant development during the year was the consolidation of existing circulars into function-wise Master Directions, to enhance clarity, ease of access, and reduce compliance burden for Regulated Entities, thereby supporting the broader objective of improving ease of doing business.

Further, the measures introduced, marked a key step towards addressing customer grievances and disputes, particularly in the micro and small enterprise segment. In addition, transition to weekly incremental submission of credit information was introduced to facilitate faster data submission and error rectification for efficient functioning of the credit information reporting system in the country. The regulatory approach also continued to emphasize transparency in loan terms, standardization of disclosures, and strengthening of grievance redressal mechanisms.

2. OPPORTUNITIES AND THREATS

Opportunities

- Rising credit demand in the MSME, LAP, affordable housing, and retail secured lending segments, particularly in underpenetrated rural and semi-urban markets.
- Expansion of branch network into Tier 3 and Tier 4 cities, leveraging increasing entrepreneurship and regional economic activity.
- Opportunity to strengthen market share through secured products backed by property and collateral, supported by lower credit risk.
- Improved funding access through co-lending partnerships, securitization, and bank tie-ups, enabling a diversified liability profile.
- Digital transformation driving faster onboarding, paperless processing, and improved customer experience.
- Use of AI and analytics to enhance underwriting, fraud detection, portfolio monitoring, and collections efficiency.
- Growing participation of women entrepreneurs and self-employed borrowers, creating new demand for secured credit solutions.

Threats

- Geopolitical uncertainties and volatile commodity prices impacting economic sentiment, borrower cash flows, and credit demand.
- Intensifying competition from banks, fintech's, and peer NBFCs leading to pressure on yields and customer acquisition costs.
- Changes in regulatory norms relating to compliance, provisioning, customer protection, or capital adequacy.
- Rising input cost (fuel & raw material) compress MSME's margins and cash flow, put pressure on collections in select borrower segments, which may result in elevated delinquencies and NPAs.
- Dependence on external borrowings exposes the sector to interest rate volatility and liquidity tightening.
- Sharp changes in property prices or collateral values may impact secured lending recoveries.
- Rapid technological changes and cyber risks requiring continued investment in systems and controls.

3. BUSINESS PERFORMANCE

Top-Line Highlights

During FY 2025–26, HFS delivered steady growth across key operating metrics. AUM expanded to ₹3,351 Crore from ₹2,758 Crore in FY 2024–25, a growth of 21% year-on-year. Disbursals stood at ₹1,124 Crore as compared to ₹1,185 Crore in the prior year. Revenue and profitability growth reflected the combined impact of portfolio scale, disciplined underwriting, and improving operating leverage.

Business Model

HFS continues to execute on its branch-led Direct-to-Consumer (D2C) model, delivering tailored secured loan products — primarily backed by residential property assets — to MSME and retail borrowers predominantly in tier 2 and tier 3 locations. This model ensures deep customer relationships, granular portfolio management, and superior credit assessment through local market intelligence. The Company's focused, secured-lending approach provides meaningful insulation from the asset quality volatility observed in unsecured and microfinance segments.

Network Expansion and Branch Footprint

During FY 2025–26, HFS continued its calibrated geographic expansion, scaling its branch network to 156 branches as of March 31 2026, from 129 branches as of March 31 2025. This expansion is based on granular market assessments and a disciplined unit economics framework. The expanded branch network not only widens the addressable borrower base but also strengthens the Company's collections infrastructure, enabling closer and more proactive borrower engagement in its portfolio markets.

Digital Journey

HFS has continued to invest in its digital infrastructure to enhance credit decisioning speed, customer experience, and collections effectiveness. API-driven automation in loan origination, dedicated customer self-service portals, and robot based analytics for early warning signal detection have collectively contributed to faster turnaround times and improved operational efficiency. The Company's digital roadmap remains focused on augmenting — not replacing — its relationship-led, branch-based approach, recognizing that in tier 2 and 3 markets, trust and physical presence remain foundational to sustained business development.

4. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Portfolio Growth

HFS has deepened its impact across 33,000+ customers as of March 31 2026. The Company's loan portfolio grew to ₹3,351 Crore from ₹2,758 Crore as of March 31 2026, reflecting robust demand for secured credit in its target markets. Disbursements for FY 2025–26 stood at ₹1,124 Crore, compared to ₹1,185 Crore in FY 2024–25.

Asset Quality

HFS maintained its focus on asset quality discipline through a challenging macroeconomic environment. Gross NPA stood at 2.4% and Net NPA at 1.6% as of March 31 2026. The Stage 3 provision coverage ratio stood at 35.3%, reflecting a prudent and consistent approach to provisioning. The Company's secured loan portfolio — predominantly backed by residential property — continues to provide strong collateral support and structural protection against credit losses.

Capital Adequacy

The Company's net worth grew to ₹1,757 Crore as of March 31 2026, from ₹870 Crore as of March 31 2025. The Capital Adequacy Ratio (CRAR) stood at 48.6%, comfortably above the RBI's regulatory minimum. HFS continues to maintain a conservative capital policy, ensuring sufficient headroom to support portfolio growth while absorbing potential credit stress without compromizing regulatory compliance.

Operational Overview — FY 2025–26:

Particulars	FY 2025-26	FY 2024-25	YoY %
AUM (₹ Crore)	3,351	2,758	21%
Revenue (₹ Crore)	584	449	30%
PAT (₹ Crore)	95	66	45%
Networth (₹ Crore)	1,757	870	102%
Customers	33,000+	27,000+	21%
Employees	2,210	1,904	11%
Branches	156	129	+27
GNPA (%)	2.4%	2.0%	—
CAR (%)	48.6%	30.63%	—

Diversified Funding Profile

The Company continues to follow a policy of diversifying its funding sources. It maintains relationships with 31 lenders, including Banks, NBFCs, DFIs, and is actively deepening ties with both private and public sector banks. The Company raised ₹125 Crore through NCD issuances during the year, with the instruments listed on the BSE Limited. As of March 31 2026, the Company's outstanding borrowings stands at ₹2,210 Crore, with a debt-to-equity ratio of 1.3x. Funding profile was further strengthened during the year with the successful raising equity capital of ₹800 Crore in August 2025, enhancing the Company's capital base, leverage capacity, and ability to support future growth.

5. OUTLOOK

HFS enters FY 2026–27 with cautious optimism. The structural credit opportunity in secured MSME and retail lending remains intact and compelling — India's formalization agenda, expanding MSME ecosystem, and large unmet formal credit demand collectively provide a durable runway for quality loan book growth.

However, the macroeconomic environment warrants vigilance. The West Asia conflict has resulted in elevated energy prices, inflationary pressure, potential rupee depreciation, and a more uncertain interest rate path. These factors could exert pressure on borrower cash flows, collections, and asset quality.

Management's focus for FY 2026–27 will be on calibrated, quality-led growth — prioritizing portfolio resilience over volume maximization where macroeconomic signals warrant caution. Continued investments in branch network expansion, digital infrastructure, people capability, and risk management systems position HFS to navigate headwinds and capitalize on the opportunities that the evolving landscape presents.

6. RISKS AND CONCERNS

HFS operates a comprehensive Enterprise Risk Management (ERM) framework, overseen by the Board, Risk Management Committee, and dedicated sub-committees. The framework adopts an integrated, forward-looking approach to identifying, assessing, monitoring, and mitigating financial and non-financial risks. The following risk categories are actively managed:

- Credit Risk
- Strategy Risk
- Operational Risk
- Financial & Reporting Risk
- Portfolio Concentration Risk
- Information Security Risk
- Compliance/Regulatory Risk
- Asset Liability Mismatch Risk
- Reputation Risk
- Human Resource Risk

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

HFS maintains a robust internal control framework aligned with its scale and regulatory obligations. The system encompasses clearly defined authority matrices, process controls across loan origination, disbursement, monitoring and collections, financial reporting, and regulatory compliance. Periodic internal audits — conducted by an independent internal audit function — assess the design and operating effectiveness of controls and report findings to the Audit Committee of the Board.

The Company has implemented control systems covering financial reporting integrity, fraud prevention, IT security, and operational risk management. Management reviews, Board-level oversight, and a well-articulated compliance calendar further reinforce control adequacy. During FY 2025–26, no material weaknesses in internal controls were identified. The Company remains committed to continuously strengthening its control environment in line with its growth trajectory and evolving regulatory expectations.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

HFS places strong emphasis on developing talent as a key driver of growth, with a key focus on enabling long-term career progression and capability building.

As of March 31 2026, the total employee count stood at 2120, with a net addition of 216 employees during FY 2025–26. This growth in headcount mirrors the Company's geographic expansion and deepening operational infrastructure.

During the year, the Company continued to invest in structured learning and capability-building initiatives, including role-based training across credit, collections and customer service. A strong emphasis was placed on frontline effectiveness, supported by comprehensive induction journeys, continuous skill reinforcement, and hands-on learning interventions to improve productivity.

The Company further enhanced its performance-driven culture through a robust recognition and rewards framework that celebrates achievement, reinforces accountability, and encourages continuous improvement across all levels.

Employee engagement remained a key priority, with multiple structured platforms enabling open communication, leadership connect, and idea sharing, fostering a culture of inclusion, transparency, and collaboration.

Talent attraction and retention continue to be strategic priorities, particularly as the Company expands into new geographies, with a focus on building local talent pipelines and developing internal leadership capabilities. In parallel, the Company is investing in digital and future-ready skills to enhance overall workforce agility.

HFS remains committed to equal opportunity, merit-based growth, and a safe, respectful workplace, with zero tolerance for harassment and a continued focus on employee well-being, transparency, and ethical conduct.

Cautionary Statement

Statements in this Management Discussion and Analysis Report include forward-looking statements based on assumptions regarding the Company's present and future business strategies and the environment in which it operates. These statements are subject to risks and uncertainties — including national and global economic conditions, geopolitical developments (including the ongoing West Asia conflict and its macroeconomic ramifications), interest rate volatility, regulatory changes, and other factors — that may cause actual results to differ materially. The Company does not undertake any obligation to update these forward-looking statements. Data and information herein have been sourced from publicly available sources and internal estimates; their accuracy or completeness cannot be guaranteed.

Independent Auditor's Report

To The Members of

Hiranandani Financial Services Private Limited

Report on the audit of the Financial Statements

OPINION

1. We have audited the accompanying Financial Statements of Hiranandani Financial Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information ('the Financial Statements').

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2026, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs 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

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matter described below to be the Key Audit Matter to be communicated in our report.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Impairment of financial assets(including provision for expected credit loss)** (as described in note 7 and 30 of the Financial Statements)	
	Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates.	**Our key audit procedures included:** • Reviewing board approved policies for impairment of financial Instruments and assessing compliance with the policies in terms of Ind AS 109; • Testing the stage-wise bifurcation of product-wise portfolios; • Reviewing the determination the PD and LGD rates; • Testing of provisions and disclosures in the Ind AS Financial Statements.

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs- The computation of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations- Judgements and Estimates in the models that are used to estimate ECL which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). The PD and LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgemental aspect of the Company's modelling approach. The underlying assumptions used in the estimates of impairment loss allowance are subject to uncertainties. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	**Substantive verification:** • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess impact of ECL Provisioning. • Model calculations testing through re-computation. • Testing the arithmetical accuracy of the computation of ECL provision performed by the Company. • Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans in the Ind AS Financial Statements are appropriate and sufficient.

OTHER INFORMATION

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.
8. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company 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 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; 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.

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

11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. 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:

    12.1. 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.

    12.2. 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

    12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    12.4. Conclude on the appropriateness of the 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.

    12.5. 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.

13. 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.

14. 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.

15. 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 current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. 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.

17. As required by Section 143(3) of the Act, we report that:

    17.1. 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.

    17.2. In our opinion, proper books of accounts 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 paragraph 18.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    17.3. The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

    17.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

    17.5. 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.

    17.6. With respect to the maintenance of books of accounts and other matters connected therewith, reference is made to our comment in the paragraph 17.2 above and paragraph 18.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    17.7. 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'.

    17.8. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act, in our opinion, according to the information and explanation given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company.

18. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    18.1. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its Financial Statements – Refer Note 42 to the Financial Statements;

18.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 53.14 to the Financial Statements;

18.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

18.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('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 the Ultimate Beneficiaries.

18.5. The Management has represented, to best of their knowledge and belief, that no funds 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e), as provided under para 18.4 and 18.5 contain any material misstatement.

18.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.

18.8. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for two accounting software wherein the audit trail feature was enabled at database level to log any direct data changes with effect from 1 July 2025 and 22 Jan 2026 respectively. Based on our procedures performed, we did not came across any instance of audit trail being tampered with.

Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention for the accounting software from the dates on which audit trail feature on such software were enabled.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Vinit K Jain
Partner
ICAI Membership No: 145911
UDIN: 26145911IOSLYQ8592

Place: Mumbai
Date: 06 May 2026

Annexure 'A' to the Independent Auditor's Report

on the Financial Statements of Hiranandani Financial Services Private Limited for the year ended 31 March 2026

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), hence reporting under paragraph 3(i)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 rules made thereunder.

ii. (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order are not applicable to it.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Finance Company ('NBFC'), registered under the provisions of the RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer Note 7 and 40(i) to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer Note 7 and 40(i) to the Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof. Having regards, to the nature of business and volume of transactions and information involved, it is impracticable to provide the list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(e) Since the Company's principal business is to give loans, the provisions of paragraph 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues generally have been regularly deposited by the Company with the appropriate authorities in all the cases during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

Annexure 'A' to the Independent Auditor's Report (Contd.)

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) & (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clauses (ix)(e)&(f) of the Order are not applicable.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year the company has issued 1,890.36 lakhs equity shares on private placement allotment basis for consideration of 80,000 lakhs and the requirements of section 62 of the Act have been complied with, and the funds have been used for the purposes for which such funds were raised. The company has not issued any convertible debentures (Fully or Partially or optionally convertible) during the year.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration ('CoR') from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by Reserve Bank of India and accordingly reporting under clause 3(xvi)(c) of the order is not applicable.

(d) In our opinion there are no core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

xvii. The Company has not incurred any 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 and accordingly paragraph 3(xviii) of the Order is not applicable to the Company.

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

Also, refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Vinit K Jain
Partner
ICAI Membership No: 145911
UDIN: 26145911IOSLYQ8592

Place: Mumbai
Date: 06 May 2026

Annexure 'B' to the Independent Auditors' Report

on the Financial Statements of Hiranandani Financial Services Private Limited for the year ended 31 March 2026

(Referred to in paragraph '17.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

OPINION

1. We have audited the internal financial controls with reference to the Financial Statements of Hiranandani Financial Services Private 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.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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

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

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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 judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

8. Because of the inherent limitations of internal financial controls with reference to the 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 the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Vinit K Jain
Partner
ICAI Membership No: 145911
UDIN: 26145911IOSLYQ8592

Place: Mumbai
Date: 06 May 2026

Balance Sheet
as at March 31 2026

(Amounts in ₹ Lakhs, unless otherwise stated)

	Note No.	As at March 31 2026	As at March 31 2025
ASSETS			
Financial assets			
(a) Cash and cash equivalents	3	19,630.50	15,262.85
(b) Bank balance other than included in (a) above	4	40,252.81	20,004.78
(c) Derivative Financial Instruments	5	1,128.09	-
(d) Receivables			
- Trade receivables	6 (a)	-	-
- Other receivables	6 (b)	301.70	333.04
(e) Loans	7	3,29,292.28	2,71,245.86
(f) Investments	8	2,898.27	-
(g) Other financial assets	9	1,149.92	1,051.49
Total financial assets		**3,94,653.57**	**3,07,898.02**
Non-financial assets			
(a) Current tax assets (Net)	10	557.43	348.59
(b) Deferred tax assets (Net)	34	2,060.71	1,309.44
(c) Property, plant and equipment	11	571.66	412.28
(d) Intangible assets	12	267.02	175.69
(e) Intangible assets under development	12.1	35.51	36.93
(f) Right-of-use assets	45	1,275.13	1,166.38
(g) Other non-financial assets	13	924.26	375.52
Total non-financial assets		**5,691.72**	**3,824.83**
Total Assets		**4,00,345.29**	**3,11,722.85**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
(a) Derivative Financial Instrument	14	-	506.95
(b) Payables	15		
(I) Trade payables			
(i) Total outstanding dues of micro enterprise and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		0.10	34.18
(II) Other payables			
(i) Total outstanding dues of micro enterprise and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities	16	22,444.40	9,988.53
(d) Borrowings (Other than debt securities)	17	1,97,940.01	2,10,629.00
(e) Lease liabilities	45	1,293.67	1,117.52
(f) Other financial liabilities	18	1,274.50	1,190.80
Total financial liabilities		**2,22,952.68**	**2,23,466.98**
Non-financial liabilities			
(a) Provisions	19	1,298.11	854.41
(b) Other non-financial liabilities	20	356.89	387.80
Total non-financial liabilities		**1,655.00**	**1,242.21**
Total Liabilities		**2,24,607.68**	**2,24,709.19**
Equity			
(a) Equity share capital	21	93,059.24	73,211.82
(b) Other equity	22	82,678.37	13,801.84
		1,75,737.61	**87,013.66**
Total Liabilities and Equity		**4,00,345.29**	**3,11,722.85**
See accompanying notes forming part of the financial statements	01-59		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No. 105146W/W100621

For and on behalf of the Board of Directors of
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

Vinit Jain
Partner
Membership No: 145911
Place: Mumbai
Date: May 06 2026

Harsh S. Hiranandani
Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Director
DIN: 01954865
Place: London
Date: May 06 2026

Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Rajesh Rajak
Chief Financial Officer

Place: Mumbai
Date: May 06 2026

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M.No. A49602
Place: Mumbai
Date: May 06 2026

Statement of Profit and Loss

for the year ended March 31 2026

(Amounts in ₹ Lakhs, unless otherwise stated)

		Note No.	For the year ended March 31 2026	For the year ended March 31 2025
	INCOME			
	Revenue from operations			
	Interest income	23	54,322.37	40,760.27
	Fees and commission income	24	1,406.71	1,313.25
	Net gain on fair value changes	25	743.08	714.75
	Net gain on derecognition of financial instruments	26	(17.02)	226.62
	Other operating revenue	27	1,882.24	1,829.47
I	**Total revenue from operations (I)**		**58,337.38**	**44,844.36**
II	Other income	28	25.48	47.09
III	**Total income (I+II)**		**58,362.86**	**44,891.45**
	EXPENSES			
	Finance costs	29	21,689.44	17,500.57
	Impairment on financial instruments	30	4,166.66	2,625.37
	Employee benefits expense	31	14,664.75	12,010.03
	Depreciation and amortization expenses	32	699.73	333.72
	Other expenses	33	4,485.35	3,630.94
IV	**Total expenses**		**45,705.93**	**36,100.63**
V	**Profit before exceptional items and tax (III-IV)**		**12,656.93**	**8,790.82**
VI	Exceptional items		-	-
VII	**Profit before tax (V-VI)**		**12,656.93**	**8,790.82**
VIII	**Tax expense**:	34		
	Current tax		3,892.32	2,283.07
	Deferred tax		(763.51)	(75.01)
	Total tax expense		**3,128.81**	**2,208.06**
IX	**Profit for the year (VII-VIII)**		**9,528.12**	**6,582.76**
X	**Other comprehensive income (OCI)**			
	(A) Items that will not be subsequently reclassified to profit or loss			
	Remeasurement of the post employment defined benefit obligations		(99.83)	(29.52)
	Income tax effect		25.12	7.43
	(B) Items that will be subsequently reclassified to profit or loss			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge		148.44	(92.83)
	Income tax effect		(37.36)	23.36
	Other comprehensive income for the year		**36.37**	**(91.56)**
XI	**Total comprehensive income for the year (IX+X)**		**9,564.49**	**6,491.20**
XII	**Earnings per share (Equity shares, face value of ₹10/- each)**	35		
	Basic		**1.11**	**0.96**
	Diluted		**1.09**	**0.96**
	See accompanying notes forming part of the financial statements	01-59		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No. 105146W/W100621

For and on behalf of the Board of Directors of
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

Vinit Jain
Partner
Membership No: 145911
Place: Mumbai
Date: May 06 2026

Harsh S. Hiranandani
Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Director
DIN: 01954865
Place: London
Date: May 06 2026

Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Rajesh Rajak
Chief Financial Officer

Place: Mumbai
Date: May 06 2026

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M.No. A49602
Place: Mumbai
Date: May 06 2026

Statement of Cash Flows

for the year ended March 31 2026

(Amounts in ₹ Lakhs, unless otherwise stated)

		For the year ended March 31 2026	For the year ended March 31 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	12,656.93	8,790.82
	Adjustments for:		
	Interest income on loans	(49,543.88)	(38,328.91)
	Interest income on fixed deposits	(3,250.76)	(1,460.41)
	Fees and commission income	(1,406.71)	(1,313.25)
	Depreciation of property, plant and equipment	169.53	132.19
	Depreciation on right of use assets	444.88	142.61
	Amortization of intangible assets	85.32	58.92
	Net (Gain)/Loss on financial instruments at fair value through profit or loss	(2,378.12)	(207.80)
	Effective portion of gain and loss on hedging instruments in a cash flow hedge	148.44	(92.83)
	Loss/(Profit) on sales of fixed assets	(0.40)	1.89
	Share-based payment expense	182.13	29.29
	Provision on Security Receipts	156.50	-
	Impairment on financial instruments	4,010.16	2,625.37
	Finance costs	21,689.44	17,500.57
	Expenses on gratuity and compensated absences	301.06	112.13
	Net (Gain)/Loss on derecognition of Lease Liabilities	(0.16)	(5.25)
	Net (Gain)/Loss on derecognition of financial instruments	17.02	(226.62)
		(16,718.62)	**(12,241.28)**
	Operational Cash Flows		
	Cash inflow from interest on loans	48,864.25	37,272.29
	Cash inflow from interest on fixed deposits	3,160.12	1,149.61
	Cash inflow from Fees and commission	1,406.71	1,313.25
	Cash outflow towards finance cost on borrowings and debt securities	(21,357.61)	(18,017.31)
	Operating profit/(loss) before working capital changes	**15,354.85**	**9,476.56**
	Changes in working capital		
	(Increase)/Decrease in trade receivables	-	82.59
	(Increase)/Decrease in other receivables	31.34	187.00
	(Increase)/Decrease in other financial assets	(24.81)	(12.26)
	(Increase)/Decrease in loans	(61,376.95)	(84,440.73)
	(Increase)/Decrease in other non-financial assets	(584.14)	(45.19)
	Increase/(Decrease) in trade payables	(34.08)	10.89
	Increase/(Decrease) in other financial liabilities	129.23	(4,710.66)
	Increase/(Decrease) in other non financial liabilities	(30.91)	88.26
	Increase/(Decrease) in provisions	42.80	(1,213.39)
	Cash generated from/(used in) operations	**(46,492.67)**	**(80,576.93)**
	Income tax paid (net)	(4,101.16)	(2,631.93)
	Net cash generated/(used in) from operating activities (A)	**(50,593.83)**	**(83,208.86)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(506.22)	(305.09)
	Sale of property, plant and equipment and intangible assets	1.06	0.64
	Capital work in progress	1.42	(36.93)
	Investments in mutual funds	(1,65,905.00)	(1,23,250.00)
	Redemption of mutual funds	1,66,648.08	1,23,964.75
	Invsetment in Security Receipts	(3,054.77)	-
	Investment in term deposits with banks (net)	(20,248.03)	(11,931.60)
	Net cash generated/(used) in investing activities (B)	**(23,063.46)**	**(11,558.23)**

Statement of Cash Flows
for the year ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31 2026	For the year ended March 31 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	78,977.34	6,000.00
Proceeds from borrowings	64,400.00	1,20,499.45
Repayment of borrowings	(77,380.53)	(53,210.15)
Proceeds from Debt Securities	12,500.00	10,000.00
Lease Liability Paid	(471.87)	(147.30)
Net cash generated/(used) in financing activities (C)	**78,024.94**	**83,142.00**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,367.65**	**(11,625.09)**
Cash and cash equivalents at the beginning of the year	15,262.85	26,887.94
Cash and cash equivalents at the end of the year	**19,630.50**	**15,262.85**

Notes:-

1. The above Cash Flows Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'
2. Figures in brackets indicate cash outflow
3. Income taxes refund/(paid) is treated as arising from operating activities and is not bifurcated between investing and financing activities
4. Components of Cash & cash equivalents are disclosed in Note 3

See accompanying notes forming part of the financial statements 01-59

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No. 105146W/W100621

Vinit Jain
Partner
Membership No: 145911
Place: Mumbai
Date: May 06 2026

For and on behalf of the Board of Directors of
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

Harsh S. Hiranandani
Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Director
DIN: 01954865
Place: London
Date: May 06 2026

Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Rajesh Rajak
Chief Financial Officer

Place: Mumbai
Date: May 06 2026

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M.No. A49602
Place: Mumbai
Date: May 06 2026

Statement of Changes in Equity

for the year ended March 31 2026

(Amounts in ₹ Lakhs, unless otherwise stated)

(a) Equity share capital (refer note 21)

Equity shares of ₹10 each issued, subscribed and fully/Partly paid up	Amount
As at March 31 2024	68,211.82
Equity share capital issued during the year	5,000.00
As at March 31 2025	**73,211.82**
Equity share capital issued during the year	19,847.42
As at March 31 2026	**93,059.24**

(b) Other equity (refer note 22)

Particulars	Reserve and surplus				Other comprehensive income on		Total other equity
	Retained earnings	Statutory reserves fund as per Section 45-IC of the RBI Act, 1934	Employee stock option plan reserve	Securities Premium	Remeasurement gain/(loss) on defined benefit plans	Effective portion of Cash Flow Hedge	
Balance as at March 31 2024	**3,163.77**	**1,130.37**	**164.52**	**1,818.18**	**4.50**	**-**	**6,281.34**
Total comprehensive income for the year ended March 31 2024							
Profit for the year	6,582.76	-	-	-	-	-	6,582.76
Other comprehensive income for the year, net of tax	-	-	-	-	(22.09)	(69.47)	(91.56)
Total comprehensive income	**6,582.76**	**-**	**-**	**-**	**(22.09)**	**(69.47)**	**6,491.20**
Transfers to statutory reserves	(1,316.55)	1,316.55	-	-	-	-	-
Premium on issue of share capital	-	-	-	1,000.00	-	-	1,000.00
Recognition of share-based payments	-	-	29.30	-	-	-	29.30
Balance as at March 31 2025	**8,429.98**	**2,446.92**	**193.82**	**2,818.18**	**(17.59)**	**(69.47)**	**13,801.84**
Total comprehensive income for the year ended March 31 2025							
Profit for the year	9,528.12	-	-	-	-	-	9,528.12
Other comprehensive income for the year, net of tax	-	-	-	-	(74.71)	111.08	36.37
Total comprehensive income	**9,528.12**	**-**	**-**	**-**	**(74.71)**	**111.08**	**9,564.49**

Statement of Changes in Equity
for the year ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Reserve and surplus				Other comprehensive income on		Total other equity
	Retained earnings	Statutory reserves fund as per Section 45-IC of the RBI Act, 1934	Employee stock option plan reserve	Securities Premium	Remeasurement gain/(loss) on defined benefit plans	Effective portion of Cash Flow Hedge	
Transfers to statutory reserves	(1,905.62)	1,905.62	-	-	-	-	-
Premium on issue of share capital	-	-	-	61,096.41	-	-	61,096.41
Exercise of stock options outstanding	-	-	(123.92)	123.92	-	-	-
Expenses on issue of equity shares	-	-	-	(1,966.50)	-	-	(1,966.50)
Recognition of share-based payments	-	-	182.13	-	-	-	182.13
Balance as at March 31 2026	**16,052.48**	**4,352.54**	**252.03**	**62,072.01**	**(92.30)**	**41.61**	**82,678.37**

See accompanying notes forming part of the financial statements 01-59

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No. 105146W/W100621

For and on behalf of the Board of Directors of
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

Vinit Jain
Partner
Membership No: 145911
Place: Mumbai
Date: May 06 2026

Harsh S. Hiranandani
Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Director
DIN: 01954865
Place: London
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Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Rajesh Rajak
Chief Financial Officer

Place: Mumbai
Date: May 06 2026

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M.No. A49602
Place: Mumbai
Date: May 06 2026

Notes to the Financial Statements

for the year ended March 31 2026

(Amounts in ₹ Lakhs, unless otherwise stated)

1 (A). CORPORATE INFORMATION

Hiranandani Financial Services Private Limited ('the Company') was incorporated in, India under Companies Act, 2013, on February 10 2017, having its registered office at 514, Dalamal Towers, 211 FPJ Marg, Nariman Point, Mumbai – 400021. The Company is categorized as Systemically Important Non-Deposit taking non-banking financial company (NBFC-ND-SI) in accordance with the guidelines of Reserve Bank of India.

The Registration Details are as follows:

RBI Registration Number: N-13.02257

Corporate Identity Number (CIN): U65999MH2017PTC291060

The Company is engaged in the business of providing loans to small businesses including micro, small and medium enterprises, personal loans and loans for onward lending to borrowers in small businesses/MSME segment.

The financial statements for the year ended March 31 2026 were authorized for issue in accordance with a resolution of the board of directors on May 06 2026.

1 (B). BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

a) Basis of Presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (as amended from time to time) applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and 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 the 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 regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') are included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

Functional & Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in Lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

b) Basis of Measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities are measured at fair value;
- Share-based payments – measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

c) Statement of Compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. 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. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

d) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the 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. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

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

ii. Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments requires judgment in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iii. Fair value of equity-settled share-based transaction

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The Company measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model. The assumptions for estimating fair value for share-based payment transactions are disclosed in Note 34.

iv. Defined benefit obligations

The cost of the defined benefit gratuity plans, the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Refer Note 35 for further details.

v. Provision for Income Tax and Deferred Tax Asset

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilized before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

vi. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

vii. Useful lives of property, plant, and equipment

The Company depreciates property, plant, and equipment using Straight Line Method (SLM) basis over the estimated useful lives of the assets which in in line with the estimated useful life as specified in Schedule II to the Companies Act, 2013. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values are reviewed at each financial year end.

viii. Going Concern

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future.

2. Material Accounting Policies

a) Financial Instruments

I. Recognition and Initial Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables (without a significant financing component) which are initially recognized at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in profit and loss.

II. Financial Assets

i. Classification of financial assets

Classification and measurement of financial assets depends on the results of the business model test and the Solely Payments of Principal and Interest ('SPPI').

Business Model Test: The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Solely Payments of Principal and Interest (SPPI) test as a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/ discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Basis the above tests for purposes of subsequent measurement, financial assets are classified in four categories:

- Financial asset at amortized cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL)

Amortized Cost

A financial asset that meets the following conditions is subsequently measured at amortized cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Company does not have any financial assets measured at FVTOCI.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, financial assets that meet the amortized cost criteria or the FVTOCI criteria may irrevocably be designated as at FVTPL are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ii. Subsequent measurement of financial instrument

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt instruments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

iii. Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience as well as data from peer groups, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money and management overlay where appropriate.

The Company applies a three-stage approach to measure ECL on loan assets. The underlying receivables of borrowers migrate through the following three stages based on the change in credit quality since initial recognition

Stage 1

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD range of 31-90 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for underlying loan assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3

Loan asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For loan assets that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

Significant increase in credit risk

For loan assets, the date that the Company becomes a party to the contract with borrowers is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment.

In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan asset, the Company considers the changes in the risk that the specified borrower will default on the contract. The Company compares the risk of a default occurring on the loan asset as at the reporting date with the risk of a default occurring on the loan asset as at the date of initial recognition and considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the borrower is unlikely to pay and is no later than when the exposure is equal to or more than 90 days past due. If one facility of borrower is classified as Stage 3, all the facilities of that borrower are treated as Stage 3.

Measurement and recognition of expected credit losses

The measurement of all expected credit losses for loan assets held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD, management overlay and assessing significant increases in credit risk. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan assets, the exposure includes the amount outstanding as at the reporting date, together with expected drawdowns on committed facilities (if any) in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

The Elements of ECL: The Company calculates ECLs based on probability weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company and the cash flows that the

Company expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

a) The Company has applied 12 months PD to Stage 1 Advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan for Stage 2 Advances.

c) PD of 100% is considered for Stage 3 Advances.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in a separate component of equity wherein fair value changes are accumulated, and does not reduce the carrying amount of the financial asset in the balance sheet.

In its ECL models, the Company relies on a broad range of forward-looking macro parameters and estimated the impact on the default at a given point of time. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

iv. De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

De-recognition due to modification of terms and conditions

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recognized. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company recognize a modification gain or loss, to the extent that an impairment loss has not already been recognized.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

III. Financial liabilities and equity instruments

i. Classification as debt or equity

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

ii. Equity Instruments

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

iii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination (if any) which is subsequently measured at fair value through profit or loss. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

vi. Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made against or from written off assets are recognized in Statement of profit and loss.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

b) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed.

Revenue is recognized by allocating the transaction price, net of variable consideration, to the performance obligations. Variable considerations include discounts and schemes offered as part of the contract. The net transaction price for each obligation represents the revenue recognized for its satisfaction.

i. Interest income

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

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

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

For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses.

ii. Interest income on deposits with banks

Interest income from deposits with banks is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest.

iii. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognized as an unrealized gain/loss. In cases there is a net gain in the aggregate, the same is recognized in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses – Net Loss on fair value changes" in the statement of profit and loss.

Similarly, any realized gain or loss on sale of financial instruments measured at FVTPL is recognized in net gain / loss on fair value changes.

iv. Loan Processing Fees

Processing fees on loans is collected towards processing of loan, this is amortized on EIR basis over the contractual life of the loan. Related cost incurred towards processing of loans is netted off against loan processing fees.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

v. Fee Income

Fees and commissions are recognized when the Company satisfies the performance obligation, at fair value of the consideration received or receivable. Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognized on realization. Initial money Deposit charges are collected from customers for document processing, which is non-refundable in the nature. Initial money Deposit charges are recognized in statement of profit and loss as fee income using EIR method on disbursed cases. On non-disbursed cases, it is taken to statement of profit and loss on realization.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

c) Employee benefits

The Company's employee benefits mainly include salaries and bonuses, defined contribution plans (i.e. provident funds and employee state insurance scheme), defined benefits plans (i.e. gratuity) and other long-term employee benefits (i.e. compensated absences). The employee benefits are recognized in the year in which the associated services are rendered by the Company employees.

I. Short-term employee benefits

A liability is recognized for short-term employee benefits accruing to employees in respect of salaries, short term compensated absences, performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Accumulated leave, which is expected to be utilized within the next twelve 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.

II. Post-Employment Employee Benefits

i. Defined contribution plans

The contributions to defined contribution plans are recognized in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

ii. Defined benefits plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

III. Other Long-term employee benefits

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 gain/loss are immediately taken to the statement of profit and loss and are not deferred.

IV. Share-based payments

Employees of the Company also receive remuneration in the form of share-based payment transactions under Company's Employee stock option plan (ESOP)-2020.

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

d) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortized on EIR basis over the contractual life of loan. The EIR in case of a financial liability is computed:

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

e) Leases

The Company's leased assets primarily consist of leases for office Space. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease or another systematic basis.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflect that the Company exercise a purchase option. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of non-financial assets".

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Company changes its assessment whether it will exercise an extension or a termination or a purchase option.

The interest cost on lease liability (computed using effective interest method), is expensed off in the statement of profit and loss. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

f) Property, plant, and equipment (PPE)

Recognition and measurement

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Cost includes, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs relating to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed separately under other non-financial assets.

Depreciation

Depreciation on property, plant and equipment is provided on SLM method basis at the rates and in accordance with the useful lives specified in Schedule II to the Companies Act, 2013.

The estimated useful lives used for computation of depreciation are as follows:

Assets category	Estimated useful life (in years)
Vehicles	8 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

The useful lives, residual values and depreciation method of property, plant and equipment are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The effect of any change in the estimated useful lives, residual values and /or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the property, plant and equipment's remaining revised useful life.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

g) Intangible assets

Intangible assets are recognized when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognized at cost. These assets having finite useful life are carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method over the expected useful life of intangible assets.

Assets category	Estimated useful life (in years)
Computer software	4 years
Trademark	4 years
Website	4 years

The estimated useful lives and amortization method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortization method is accounted for prospectively, and accordingly the amortization is calculated over the remaining revised useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

h) Capital work-in-progress (CWIP)

Capital Work in Progress (CWIP) of intangible assets refers to the costs incurred on the acquisition or development of intangible assets that are not yet ready for their intended use. Such costs are capitalized until the intangible assets are ready for use. CWIP of intangible assets are capitalized if they meet the following criteria:

- The Company has control over the asset or rights to it
- It is probable that the future economic benefits associated with the asset will flow to the Company
- The cost of the asset can be reliably measured

i) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

j) Provisions, contingent liabilities and contingent assets

i. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

ii. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii. Contingent assets

Contingent assets are not recognized. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Taxation

The income tax expense for the period comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

l) Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period.

The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

i. Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. The Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to the same taxable entity and levied by the same governing taxation laws.

m) Operating cycle

Based on nature of product /activities of the Company and normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

n) Foreign currency transactions and translations

The functional currency and presentation currency of the Company is Indian Rupee. 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.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

At each reporting date, foreign currency monetary items are reported at the prevailing closing spot rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing spot rate are recognized in the Statement of Profit and Loss in the period in which they arise.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated at each reporting date.

o) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 potential equity shares except where the results are anti-dilutive.

p) Cash and cash equivalents

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

q) Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Initial Recognition and Subsequent Measurement

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognized in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability.

Hedge Accounting

The Company uses derivative instruments to manage its risk on exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction and the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at the end of each reporting period through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the foreign currency derivatives entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on floating interest rate) or a highly probable forecast transaction that can affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI reserve within Other Equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as Finance Cost in the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time is transferred to the Statement of Profit and Loss.

r) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Companies Act 2013 as a charge to the statement of profit and loss, if applicable.

s) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

t) Recent Accounting Pronouncements

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. For the year ended March 31 2026, MCA has not notified any new standards. However, MCA notified the Companies (Ind AS) Second Amendment Rules, 2025 vide G.S.R. 549(E), published August 13 2025.

The amendment to Ind AS 1 notified, clarifies how liabilities should be classified as current or non-current by focusing strictly on the rights that exist at the reporting date. Under the revised guidance, applicable from April 01 2026 a liability can be classified as non-current only if the Company has a substantive right at the end of the reporting period to defer settlement for at least twelve months; otherwise, it must be classified as current. This means that post-balance sheet events such as refinancing arrangements or lender waivers obtained after the reporting date are ignored for classification purposes.

Applicable from April 01 2025: Where there is a breach of a material covenant of a long-term loan on or before the reporting date, and the lender agreed after the reporting date and before approval of financials not to demand payment — the entity may classify the liability as non-current.

Applicable from April 01 2025: Ind AS 7 and Ind AS 107, Supplier Finance Arrangements, not applicable to company.

Applicable from April 01 2025: Ind AS 12, International tax reform-Pillar Two model rules, not applicable to company.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31 2026	As at March 31 2025
Cash on hand	100.12	173.15
Balances with banks in current accounts	6,430.05	5,289.39
Bank deposits with original maturity of less than three months	13,100.33	9,800.31
Total	**19,630.50**	**15,262.85**
₹0.33 Lakhs (March 31 2025: ₹0.31 Lakhs) kept as lien against borrowings.		

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31 2026	As at March 31 2025
Bank deposits with original maturity for more than three months	40,252.81	20,004.78
Total	**40,252.81**	**20,004.78**
₹5,852.81 Lakhs (March 31 2025: ₹7,517.72 Lakhs) kept as lien against borrowings.		

5 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31 2026	As at March 31 2025
Fair value assets		
Part I		
Spot and forwards		
Notional Amounts	27,562.60	-
Fair Value-Assets	1,128.09	-
Total derivative financial instruments	**1,128.09**	**-**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:		
Notional Amounts	27,562.60	-
Fair Value-Assets	1,128.09	-
Total	**1,128.09**	**-**

The Company hedges derivative financial instruments for its foreign currency risk and interest rate risk exposures. The derivatives are measured to their fair value at the balance sheet date. The resulting gain/loss is recognized in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk and are measured at fair value through profit or loss.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

6 RECEIVABLES

6 (a) Trade receivables

Particulars	As at March 31 2026	As at March 31 2025
Unsecured, considered good	-	-
Less: Impairment loss allowance	-	-
Total	**-**	**-**

Notes:

(1) There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Ageing as at March 31 2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - Considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-

Ageing as at March 31 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - Considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-

6 (b) Other receivables

Particulars	As at March 31 2026	As at March 31 2025
Unsecured, considered good	301.70	333.04
Less: Impairment loss allowance	-	-
Total	**301.70**	**333.04**

Notes:

(1) There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Ageing as at March 31 2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other receivables - Considered good	301.70	-	-	-	-	301.70
(ii) Undisputed Other receivables - Considered doubtful	-	-	-	-	-	-
(iii) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-
(iv) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-

Ageing as at March 31 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other receivables - Considered good	333.04	-	-	-	-	333.04
(ii) Undisputed Other receivables - Considered doubtful	-	-	-	-	-	-
(iii) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-
(iv) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-

7 LOANS

Particulars	As at March 31 2026	As at March 31 2025
(A) Loans (at amortized cost):		
Loans	3,38,956.45	2,78,665.66
Less:- Effective interest rate adjustment	(4,654.32)	(3,973.20)
Total (Gross)	**3,34,302.13**	**2,74,692.46**
Less: Impairment loss allowance	(5,009.85)	(3,446.60)
Total (Net)	**3,29,292.28**	**2,71,245.86**
(B) Breakup of loans into secured/unsecured category		
i) Secured by tangible assets	3,38,843.85	2,77,652.93
ii) Unsecured	112.60	1,012.73
Less:- Effective interest rate adjustment	(4,654.32)	(3,973.20)
Total (Gross)	**3,34,302.13**	**2,74,692.46**
Less: Impairment loss allowance	(5,009.85)	(3,446.60)
Total (Net)	**3,29,292.28**	**2,71,245.86**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31 2026	As at March 31 2025
(C) Breakup of loans geographical area-wise		
(i) Loans in India		
(a) Public sector	-	-
(b) Others	3,38,956.45	2,78,665.66
Less:- Effective interest rate adjustment	(4,654.32)	(3,973.20)
Total (Gross)	**3,34,302.13**	**2,74,692.46**
Less: Impairment loss allowance	(5,009.85)	(3,446.60)
Total (Net)	**3,29,292.28**	**2,71,245.86**
(ii) Loans outside India	-	-

Notes:

(1) There is no loan asset measured at FVTOCI or FVTPL or designated at FVTPL.

(2) Loan amount includes accrued interest amounting ₹4,562.02 Lakhs (March 31 2025: ₹3,748.64 Lakhs).

(3) Impairment allowance for the Year ended March 31 2026, includes ₹401.00 Lakhs as management overlay towards potential adverse Impact of Geo-Political risks on the loan portfolio of the Company. There is no deterioration in asset quality as at March 31 2026.

8 INVESTMENTS

Particulars	As at March 31 2026	As at March 31 2025
Investment in Security receipts (Unquoted)	3,054.77	-
Total Gross (A)	**3,054.77**	**-**
i) Investments in India	3,054.77	-
ii) Investments outside India	-	-
Total Gross (B)	**3,054.77**	**-**
Less: Allowance for impairment loss (C)	(156.50)	-
Total Net (D) (A-C)	**2,898.27**	**-**

9 OTHER FINANCIAL ASSETS

Particulars	As at March 31 2026	As at March 31 2025
Security deposits	299.49	237.37
Interest accrued but not due on		
- deposits with banks	682.25	591.61
Excessive Interest Spread (EIS) Receivable	171.73	213.87
Less: ECL on EIS Receivable	(3.55)	(0.86)
Others	-	9.50
Total	**1,149.92**	**1,051.49**

10 CURRENT TAX ASSETS (NET)

Particulars	As at March 31 2026	As at March 31 2025
Advance income tax	557.43	348.59
[Net of provision of income tax of ₹3,726.17 (As on March 31 2025: ₹2,283.33 Lakhs)]		
Total	**557.43**	**348.59**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

11 PROPERTY, PLANT & EQUIPMENT

	Vehicles	Furniture and fixtures	Computer and Information Technology equipment	Office Equipment	Leasehold Improvements	Total
Cost						
As at March 31 2024	**110.12**	**68.40**	**330.99**	**39.19**	**-**	**548.70**
Additions during the year	-	23.44	134.43	44.73	-	202.60
Disposals/deductions during the year	-	(2.07)	(8.20)	(1.24)	-	(11.51)
As at March 31 2025	**110.12**	**89.77**	**457.22**	**82.68**	**-**	**739.79**
Additions during the year	-	46.14	79.93	44.69	158.89	329.65
Disposals/deductions during the year	-	(0.09)	(0.81)	(0.38)	-	(1.28)
As at March 31 2026	**110.12**	**135.82**	**536.34**	**126.99**	**158.89**	**1,068.16**
Accumulated depreciation						
As at March 31 2024	15.59	9.30	169.36	10.05	-	204.30
Charge for the year	13.76	7.93	100.77	9.73	-	132.19
Disposals/deductions during the year	-	(0.55)	(7.61)	(0.82)	-	(8.98)
As at March 31 2025	**29.35**	**16.68**	**262.52**	**18.96**	**-**	**327.51**
Charge for the year	13.76	11.60	116.06	21.29	7.27	169.98
Disposals/deductions during the year	-	(0.07)	(0.68)	(0.24)	-	(0.99)
As at March 31 2026	**43.11**	**28.21**	**377.90**	**40.01**	**7.27**	**496.50**
Carrying amount						
As at March 31 2025	**80.77**	**73.09**	**194.70**	**63.72**	**-**	**412.28**
As at March 31 2026	**67.01**	**107.61**	**158.44**	**86.98**	**151.62**	**571.66**

Note: The Company has not done any revaluation in respect of the above Property, plant and equipment during the year.

12 INTANGIBLE ASSETS

	Computer Software	Website Development Cost	Trademark	Total
Cost				
As at March 31 2024	**189.16**	**35.57**	**4.04**	**228.77**
Additions during the year	102.50	-	-	102.50
Disposals/deductions during the year	-	-	-	-
As at March 31 2025	**291.66**	**35.57**	**4.04**	**331.27**
Additions during the year	174.91	1.74	-	176.65
Disposals/deductions during the year	-	-	-	-
As at March 31 2026	**466.57**	**37.31**	**4.04**	**507.92**
Accumulated depreciation				
As at March 31 2024	73.09	19.53	4.04	96.66
Charge for the year	51.72	7.20	-	58.92
Disposals/deductions during the year	-	-	-	-

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

	Computer Software	Website Development Cost	Trademark	Total
As at March 31 2025	**124.81**	**26.73**	**4.04**	**155.58**
Charge for the year	79.73	5.59	-	85.32
Disposals/deductions during the year	-	-	-	-
As at March 31 2026	**204.54**	**32.32**	**4.04**	**240.90**
Carrying amount				
As at March 31 2025	**166.85**	**8.84**	**-**	**175.69**
As at March 31 2026	**262.03**	**4.99**	**-**	**267.02**

12.1 Intangible assets under development ageing schedule

Particulars	Amount in Intangibles under Development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31 2026					
Project in progress#	35.51	-	-	-	**35.51**
Project temporarily suspended	-	-	-	-	-
As at March 31 2025					**-**
Project in progress#	36.93	-	-	-	**36.93**
Project temporarily suspended	-	-	-	-	-

#Certain projects under development have exceeded the originally planned timelines and are at various stages of implementation. The management expects the project to complete within additonal reasonable timeline without any additonal escalation cost.

13 OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31 2026	As at March 31 2025
Prepaid expenses	494.79	276.88
Balances with government authorities	87.11	24.78
Advance to vendors	320.97	53.87
Other advances	21.39	19.99
	924.26	**375.52**

14 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31 2026	As at March 31 2025
Fair value liability		
Part I		
Forwards		
Notional Amounts	-	22,355.69
Fair Value-Liability	-	506.95
Total derivative financial instruments	**-**	**506.95**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31 2026	As at March 31 2025
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:		
Notional Amounts	-	22,355.69
Fair Value-Liability	-	506.95
Total	**-**	**506.95**

The Company enters into derivative financial instruments for its foreign currency risk exposures.The derivatives are measured to their fair value at the balance sheet date. These instruments are designated as cash flow hedges and are measured at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under hedge reserve. Fair values of derivative financial instruments are determined on a Marked to Market basis. (Refer Note 38)

15 PAYABLES

15 (a) Trade Payables

Particulars	As at March 31 2026	As at March 31 2025
- Total outstanding dues of micro enterprises and small enterprises (Refer note 44)*	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.10	34.18
	0.10	**34.18**

**Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) there are no outstanding dues to micro, small and medium enterprises as at March 31 2026 (March 31 2025 - NIL). There is no interest due or outstanding on the same.*

Ageing as at March 31 2026

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	0.10	-	-	-	**0.10**
(iii) Disputed	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Ageing as at March 31 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	34.18	-	-	-	**34.18**
(iii) Disputed	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

16 DEBT SECURITIES

Particulars	As at March 31 2026	As at March 31 2025
(at amortized cost)		
a) Non convertible debentures (Secured, listed, fully paid and privately placed)	22,500.00	10,000.00
Add:- Interest Accrued but not due on debt securities	99.11	49.07
Less:- Effective interest rate adjustment	(154.71)	(60.54)
Total (A)	**22,444.40**	**9,988.53**
Debt Securities in India	22,444.40	9,988.53
Debt Securities outside India	-	-
Total (B)	**22,444.40**	**9,988.53**

16.1 Terms of repayment of privately placed redeemable non convertible debentures:

	As at March 31 2026		As at March 31 2025	
Tenure (From balance Sheet date)	**Rate of interest (%)**	**Amount**	**Rate of interest (%)**	**Amount**
Due Within 1 year	9.95%-10.25%	15,000.00	-	-
Due 1 year to 3 years	9.01%-9.01%	7,500.00	9.95%-10.25%	10,000.00
Total		**22,500.00**		**10,000.00**
Interest accrued		99.11		49.07
Effective interest rate adjustment		(154.71)		(60.54)
Net Amount		**22,444.40**		**9,988.53**

**Tenure has been determined considering the expected exercise of the embedded put/call option in the NCDs.*

16.2 Details of Secured Redeemable Non Convertible Debentures:

Name of Security	Type of Charge	Number of securities	Allotment date	Redemption Date	As at March 31 2026	As at March 31 2025
(1.) 10.25% HFS NCD 2027 (Secured, rated, listed, redeemable, non-convertible debentures)	Pari-passu	5000	September 24 2024	September 24 2027	5,000.00	5,000.00
(2.) 9.95% HFS NCD 2028 (Secured, rated, listed, redeemable, non-convertible debentures)	Pari-passu	5000	February 24 2025	February 24 2028	5,000.00	5,000.00
		5000	May 08 2025	February 24 2028	5,000.00	-
(3.) 9.01% HFS NCD 2029 (Secured, rated, listed, redeemable, non-convertible debentures)	Pari-passu	7500	March 30 2026	March 30 2029	7,500.00	-

Details:

(1.) 10.25% HFS NCD 2027 (Secured, rated, listed, redeemable, non-convertible debentures) Maturity Dated -September 24 2027: Face value of Non Convertible Debentures is 1 Lakh. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is monthly and principal repayment at maturity.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

(2.) 9.95% HFS NCD 2028 (Secured, rated, listed, redeemable, non-convertible debentures) Maturity Dated - February 24 2028: Face value of Non Convertible Debentures is 1 Lakh. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is quarterly and principal repayment at maturity.

(3.) 9.01% HFS NCD 2029 (Secured, rated, listed, redeemable, non-convertible debentures) Maturity Dated - March 30 2029: Face value of Non Convertible Debentures is 1 Lakh. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is quarterly and principal repayment at maturity.

16.3 The secured non-convertible debentures issued by the Company are fully secured by way of a first-ranking pari-passu charge in favour of the debenture trustee over loan receivables of the Company, to the extent required to maintain security cover as specified in the respective debenture trust deeds. Further the Company has at all times, for the non-convertible debentures issued, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

Notes:

(1) There is no debt securities measured at FVTPL or designated at FVTPL.

(2) The debt securities have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

(3) The debt securities have been utilized for the purpose for which they were issued.

17 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31 2026	As at March 31 2025
(at amortized cost)		
a) Term loans		
i) from bank (Secured)	1,68,817.07	1,73,972.94
ii) from financial Institutions (Secured)	29,626.14	37,451.88
Add:- Interest Accrued but not due on borrowings	422.18	426.69
b) Cash Credit (Unsecured)	2.85	1.77
Less:- Effective interest rate adjustment	(928.23)	(1,224.28)
Total (A)	**1,97,940.01**	**2,10,629.00**
Borrowings in India	1,97,940.01	2,10,629.00
Borrowings outside India	-	-
Total (B)	**1,97,940.01**	**2,10,629.00**

17.1 Terms of repayment of Borrowings:

	As at March 31 2026		As at March 31 2025	
Tenure (From balance Sheet date)	Rate of interest (%)	Amount	Rate of interest (%)	Amount
Secured (against loan receivable)				
Due Within 1 year	7.13%-10.55%	70,110.76	8.13%-10.95%	64,190.87
Due 1 year to 3 years	7.13%-10.55%	93,810.20	8.13%-10.95%	104,546.97
Due 3 year to 5 years	8.40% 10.55%	28,569.70	8.39%-10.45%	33,702.35
Above 5 years	9.00%-10.10%	5,955.40	9.03%-10.35%	8,986.40

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Tenure (From balance Sheet date)	As at March 31 2026 Rate of interest (%)	As at March 31 2026 Amount	As at March 31 2025 Rate of interest (%)	As at March 31 2025 Amount
Unsecured				
Due Within 1 year	-	-	-	-
Total		**1,98,446.06**		**2,11,426.59**
Interest accrued		422.18		426.69
Effective interest rate adjustment		(928.23)		(1,224.28)
Net Amount		**1,97,940.01**	-	**2,10,629.00**

Notes:

(1) There is no borrowings measured at FVTPL or designated at FVTPL.

(2) The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

(3) The Company has utilized the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

(4) The Company has borrowed funds from banks and financial institutions on the basis of security of loan assets. It has submitted statements of loan assets with banks and financial institutions on monthly basis and the said statements are in agreement with books of accounts.

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31 2026	As at March 31 2025
Employee benefit expenses payable	71.72	62.30
Accrued expenses	1,060.20	921.22
Others	142.58	207.28
	1,274.50	**1,190.80**

19 PROVISIONS

Particulars	As at March 31 2026	As at March 31 2025
Provision for employee benefits		
- Gratuity (Refer Note 36)	31.80	30.90
- Provision for compensated absences (Refer Note 36)	466.31	226.51
- Provision for bonus and other incentives	800.00	597.00
Total	**1,298.11**	**854.41**

20 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31 2026	As at March 31 2025
Statutory dues and taxes payable	356.48	379.08
Others	0.41	8.72
Total	**356.89**	**387.80**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

21 EQUITY SHARE CAPITAL

21 (a) Equity share Capital

Authorised equity share capital	Class A Equity Shares (Face Value = ₹10/-)		Class B Equity Shares (Face Value = ₹10/-)		Class C Equity Shares (Face Value = ₹10/-)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at March 31 2024	**99,40,00,000**	**99,400.00**	**30,00,000**	**300.00**	**30,00,000**	**300.00**
Increase/decrease during the year	-	-	-	-	-	-
As at March 31 2025	99,40,00,000	99,400.00	30,00,000	300.00	30,00,000	300.00
Increase/decrease during the year	-	-	-	-	-	-
As at March 31 2026	**99,40,00,000**	**99,400.00**	**30,00,000**	**300.00**	**30,00,000**	**300.00**

Issued equity share capital (subscribed and fully/partly paid up)	Class A Equity Shares (Face Value = ₹10/-)		Class B Equity Shares (Face Value = ₹10/-)		Class C Equity Shares (Face Value = ₹10/-)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At March 31 2024	**68,18,18,183**	**68,181.82**	**30,00,000**	**30.00**	**-**	**-**
Shares issued during the year	5,00,00,000	5,000.00	-	-	-	-
At March 31 2025	**73,18,18,183**	**73,181.82**	**30,00,000**	**30.00**	**-**	**-**
Shares issued during the year	19,84,74,191	19,847.42	-	-	-	-
At March 31 2026	**93,02,92,374**	**93,029.24**	**30,00,000**	**30.00**	**-**	**-**

21 (b) Terms/rights attached to shares

The Company's paid-up capital is divided into Class A (Ordinary equity shares) and Class B equity shares of face value of ₹10 each. Each Class A holder of equity shares is entitled to one vote per share held and each share has the same dividend rights. Class B equity share does not contain any voting rights but shall be entitled to same dividend rights as Class A equity shareholders. Class C Equity Shares does not contain any voting rights but shall be entitled to same dividend rights as Class A Equity Shareholders and shall have tag along right/drag along right as mentioned in share subscription agreement. The entity declares and pays dividends in Indian rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31 2026 and March 31 2025, no dividend has been declared by the Company. Upon liquidation, dissolution or winding up of the Company, all amounts available for distribution out of the assets of the Company to the holders of its Share Capital, whether such assets are capital, surplus or earnings, subject to applicable Law, shall be distributed in the order as prescribed in Articles of Association of the Company.

21 (c) Details of shareholders (as per the register of shareholders) holding more than 5% equity shares in the Company

	As at March 31 2026		As at March 31 2025	
	No. of shares	% Holding	No. of shares	% Holding
Class A Equity Shares (Face Value = ₹10/-)				
Mr. Harsh Hiranandani	59,48,92,820	63.74%	58,54,54,546	79.67%
Ms. Neha Hiranandani	14,63,63,637	15.68%	14,63,63,637	19.92%
Nama Taano Pte. Ltd.	18,90,35,917	20.25%	-	-
Total	**93,02,92,374**	**99.68%**	**73,18,18,183**	**99.59%**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

21 (d) Share holding of Promoters

Share held by promoters at the year ending on March 31 2026

Promoter name	No of Shares	% of Total Shares	% Changes during the year
Mr. Harsh Hiranandani	59,48,92,820	63.74%	(15.93%)
Ms. Neha Hiranandani	14,63,63,637	15.68%	(4.24%)

Share held by promoters at the year ending on March 31 2025

Promoter name	No of Shares	% of Total Shares	% Changes during the year
Mr. Harsh Hiranandani	58,54,54,546	79.67%	0.02%
Ms. Neha Hiranandani	14,63,63,637	19.92%	0.01%

21 (e)

- The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding March 31 2026.
- The Company has issued 18,90,35,917 equity shares (face value of ₹10 each) at ₹42.32 per share (including Securities Premium of ₹32.32 per share) by way of preferential issue on a private placement basis.
- The Company has allotted 94,38,274/- equity shares of ₹10 each fully paid up, on exercise of the options by the employees, in accordance with the Company's Employee Stock Option Scheme(s) (ESOS 2020).

22 OTHER EQUITY

Particulars	As at March 31 2026	As at March 31 2025
Statutory reserves fund as per Section 45-IC of the RBI Act, 1934	4,352.54	2,446.92
Retained earnings	16,052.48	8,429.98
Securities Premium Reserve	62,072.01	2,818.18
Employee stock option plan reserve	252.03	193.82
Items of other comprehensive income		
Remeasurement gain/(loss) on defined benefit plans	(92.30)	(17.59)
Effective portion of Cash Flow Hedge	41.61	(69.47)
Total other equity	**82,678.37**	**13,801.84**

Notes:

Description of the nature and purpose of Other Equity:

a) **Statutory reserves fund as per Section 45-IC of the RBI Act, 1934:** As per Section 45-IC of the RBI Act, 1934 every non-banking financial company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred twenty per cent of its net profit in special reserve. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

b) **Retained earnings:** Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

c) **Securities premium:** Securities premium represents the amount of premium received by the Company on the issuance of shares. The utilization of the Securities premium is in accordance with the provisions of the Companies Act, 2013.

d) **Employee stock option plan reserve:** The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees as part of their remuneration, in accordance with Ind AS 102 'Share-based Payment'.

e) **Items of Other Comprehensive Income:** The components of other comprehensive income include remeasurement of gain/(loss) on defined benefit plans and derivatives designated at Cash flow hedge and gain/(loss) on fair valuation of loans.

23 INTEREST INCOME

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
On financial instruments measured at Amortized cost		
- Interest income on loans	51,018.28	39,292.02
- Interest on deposits with banks	3,250.76	1,460.41
- Other interest income	53.33	7.84
	54,322.37	**40,760.27**

24 FEES AND COMMISSION INCOME

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Fee Income and Other Charges	1,406.71	1,313.25
	1,406.71	**1,313.25**

25 NET GAIN ON FAIR VALUE CHANGES

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Net gain on financial instruments at FVTPL		
- Investment in Mutual Funds	743.08	714.75
Total	**743.08**	**714.75**
Fair value changes:		
- Realised	743.08	714.75
	743.08	**714.75**

26 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Net gain on derecognition of financial instruments	(17.02)	226.62
	(17.02)	**226.62**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

27 OTHER OPERATING REVENUE

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Income from advertisement	-	120.00
Corporate Agency Commission	1,882.24	1,709.47
	1,882.24	**1,829.47**

28 OTHER INCOME

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Other non-operating income	25.48	47.09
	25.48	**47.09**

29 FINANCE COSTS

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
On financial liabilities measured at amortized cost		
- Interest on borrowings	19,220.83	16,566.22
- Interest on debt securities	1,458.05	314.45
- Interest expense on lease liabilities	129.95	32.37
- Other borrowing costs	880.61	587.53
Total	**21,689.44**	**17,500.57**

30 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
On financial instruments measured at amortized cost		
- Loans	1,563.25	1,909.84
On Security Receipts measured at FVTPL	156.50	-
Loans written off	2,446.91	715.53
	4,166.66	**2,625.37**

31 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Salaries, allowances and bonus	13,357.47	11,162.56
Gratuity expense (refer note 36)	61.26	20.02
Compensated absence expense (refer note 36)	279.95	118.13
Contribution to provident and other funds	557.78	500.11
Employee stock options expense (refer note 37)	182.13	29.30
Staff welfare expenses	226.16	179.91
Total	**14,664.75**	**12,010.03**

Note:

Gratuity expenses includes ₹ Nil (March 31 2025: ₹ Nil) paid to Key Managerial Personnel (KMP)

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

32 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Depreciation of property, plant and equipment (refer note 11)	169.53	132.19
Amortization of intangible assets	85.32	58.92
Depreciation on right of use assets (refer note 45)	444.88	142.61
Total	**699.73**	**333.72**

33 OTHER EXPENSES

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Advertisement & sales promotion	157.58	150.98
Commission expense	171.00	254.24
Electricity charges	115.05	30.87
Insurance	163.25	159.67
Information technology expenses	430.57	312.24
Legal & professional charges	555.05	448.89
Payments to statutory auditors (Refer Note 33.1)	56.26	41.84
Credit verification charges	514.15	484.48
Office expense	583.67	419.47
Postage & telephones	124.39	60.00
Printing & stationery	81.16	62.16
Rates & taxes	460.41	330.22
Rent expense	27.84	229.85
Repairs & maintenance	53.75	27.88
Security expense	12.05	5.11
Travelling, lodging, boarding & conveyance expenses	618.04	507.85
CSR Expenses	110.20	43.50
Loss on sale/disposal of Fixed Assets	(0.40)	1.89
Miscellaneous expense	251.33	59.80
	4,485.35	**3,630.94**

33.1 Payments to statutory auditors

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
- For Audit	44.00	35.00
- For Tax Audit	3.50	3.00
- For Certification	4.50	3.50
- Reimbursement of expenses	4.26	0.34
	56.26	**41.84**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

34 INCOME TAX

The major components of income tax expense/(credit) are:

a) Income tax expense/(credit) recognized in Statement of profit and loss

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Current tax		
Current income tax for the year	3,764.76	2,591.57
Tax pertaining to earlier periods	127.56	(308.50)
Total current tax expenses	**3,892.32**	**2,283.07**
Deferred tax		
Relating to origination and reversal of temporary differences	(763.51)	(75.01)
Total deferred tax expenses/(benefits)	(763.51)	(75.01)
Total income tax expense	**3,128.81**	**2,208.06**

b) Income tax recognized in other comprehensive income (OCI)

Deferred tax related to items recognized in OCI during the year

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Deferred tax on remeasurements of defined benefit plans	(25.12)	(7.43)
Deferred tax on the effective portion of gain and loss on hedging instruments in a cash flow hedge	37.36	(23.36)
	12.24	**(30.79)**

c) Reconciliation of Total tax Expense during the year

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Profit before tax	12,656.93	8,790.82
Accounting profit before income tax	**12,656.93**	**8,790.82**
Tax expense at statutory income tax rate of 25.168% (March 31 2025: 25.168%)	3,185.50	2,212.47
Adjustment of excess tax provision of earlier years	127.56	(308.50)
Adjustment for deferred tax pertaining to earlier years	(136.50)	308.50
Tax effects of permanent differences:		
Deduction u/s 80JJAA of the Income Tax Act, 1961	(69.77)	(107.53)
Disallowance related to CSR expenditure	27.73	10.95
Tax on Perquisite/Benefit u/s 194R	0.72	38.61
Items on which deffered tax asset/Liability (net) was not created	(6.43)	53.56
Tax expense at the effective income tax rate of 24.72% (March 31 2025: 25.12%)	**3,128.81**	**2,208.06**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

d) Breakup of deferred tax recognized in the Balance sheet

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Deferred tax assets		
Preliminary expenses	-	8.74
Provision for gratuity	8.00	7.78
Provision for compensated absences	117.36	57.01
Provision for loan assets	1,098.44	588.71
Security Deposits	20.39	17.16
Other non-financial liabilities - Unamortized processing fee	1,171.40	999.97
Right of use assets and lease liabilities	4.67	-
Total deferred tax assets recognized (A)	**2,420.26**	**1,679.37**
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	(12.97)	(9.73)
Right of use assets and lease liabilities	-	(12.30)
Excessive Interest Spread (EIS) Receivable	(42.33)	(53.83)
Prepaid processing fee on Loan liabilities	(321.29)	(323.34)
Total deferred tax liabilities (B)	**(376.59)**	**(399.20)**
Deferred tax assets/(liabilities) related to items recognized in OCI during the year		
Remeasurements of defined benefit plans	31.04	5.91
Effective portion of gain and loss on hedging instruments in a cash flow hedge	(14.00)	23.36
Total Deferred tax related to items recognized in OCI during the year (C)	**17.04**	**29.27**
Net deferred tax assets/(liabilities) (A+B+C)	**2,060.71**	**1,309.44**
*The amount of deferred tax assets recognized has been restricted to the amount of deferred tax liability recognized as on March 31 2020 and April 01 2019 due to lack of reasonable certainty in those years.		
Total including Deferred tax related to items recognized in OCI	**2,060.71**	**1,309.44**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

35 EARNINGS PER SHARE (EPS)

Basic EPS amounts are 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 are calculated by dividing the profit for the year attributable to the equity holders of the Company by 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 equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	For the year ended March 31 2026	For the year ended March 31 2025
Net profit after tax attributable to owners of the Company (A)	9,528.12	6,582.76
Weighted average number of equity shares in calculating basic EPS (B (nos.)	85,78,86,731	68,29,40,101
Basic earnings per equity share (A)/(B) (In ₹)	1.11	0.96
Diluted		
Net profit after tax attributable to owners of the Company (A)	9,528.12	6,582.76
Weighted average number of equity shares in calculating basic EPS (nos.)	85,78,86,731	68,29,40,101
Add: Equity shares arising on grant of stock options under ESOP (nos.)	1,32,20,252	27,21,867
Weighted average number of equity shares in calculating diluted EPS (B) (nos.)	87,11,06,983	68,56,61,968
Diluted earnings per equity share (A)/(B) (In ₹)	1.09	0.96

36 EMPLOYEE BENEFITS

A Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company recognized ₹502.45 Lakhs (March 31 2025: ₹444.97 Lakhs) for provident fund contributions in the Statement of Profit and Loss.

B Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or Separation of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unutilized entitlement that has accumulated at the balance sheet date. Actuarial gains/losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. Actuarial gains/losses are immediately taken to the Other Comprehensive income.

The principal assumption used for the purpose of actuarial valuation are as follows:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Present value of unfunded obligations	466.31	226.51
Expense recognized in the Statement of Profit and Loss	279.95	118.13
Discount rate	5.72% per annum	6.54% per annum
Salary growth rate	1. Senior Management/ KMP 9% 2. Others 6%	1. Senior Management/ KMP 9% 2. Others 7%

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

C Defined benefit plans

Gratuity - defined benefit plan

The Company's gratuity scheme provides for lump sum payment to employees who has rendered at least five years of continuous service, of an amount equivalent to one half month's basic salary payable for each completed year of service with ceiling of Rupees 20 Lakhs in terms of the provisions of Gratuity Act, 1972. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Characteristics of defined benefit plan: The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

During the year, there were no plan amendments and curtailments.

Description of risk exposures:

a) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

b) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

d) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

e) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Gratuity - defined benefit plan

Particulars	As at March 31 2026	As at March 31 2025
Present value of Un-funded defined benefit obligation	(281.71)	(131.03)
(Fair Value of Plan Assets at the End of the Period)	249.91	100.13
Funded Status (Surplus/(Deficit))	(31.80)	(30.90)
Net liability arising from defined benefit obligation	**(31.80)**	**(30.90)**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

a) Reconciliation of the net defined benefit liability

Movement in the present value of defined benefit obligation is as follows:

Reconciliation of present value of defined benefit obligation for Gratuity

Particulars	Gratuity	
	For the year ended March 31 2026	For the year ended March 31 2025
Balance at the beginning of the year	131.03	81.52
Current service cost	21.16	14.22
Interest cost	10.10	5.80
Past Service Cost	39.21	-
Benefit Paid Directly by the Employer	(0.30)	(0.16)
Benefit Paid From the Fund	(9.93)	-
Actuarial (gains) losses	-	-
- changes in financial assumptions	107.11	9.82
- experience adjustments	(16.67)	19.83
Present Value of Benefit Obligation at the End of year	**281.71**	**131.03**

b) Reconciliation of the net defined benefit Asset

Movement in the present value of defined benefit Asset is as follows:

Reconciliation of present value of defined benefit Asset for Gratuity

Particulars	Gratuity	
	For the year ended March 31 2026	For the year ended March 31 2025
Balance at the beginning of the year	100.13	-
Interest Income	9.21	-
Contributions by the Employer	159.89	100.00
Benefit Paid from the Fund	(9.93)	-
Return on Plan Assets, Excluding Interest Income	(9.39)	0.13
Fair Value of Plan Assets at the End of the Period	**249.91**	**100.13**
Net (Liability)/Asset Recognized	**(31.80)**	**(30.90)**

Note:

(1) Company has net contributed a sum of ₹159.89 Lakhs (March 31 2025: ₹100.00 Lakhs) towards gratuity fund managed by HDFC Life under the plan Defensive Managed fund II and fund managed by state bank of India under the plan SBI - Group Balanced Plus Fund II.

(2) The Government of India has codified 29 existing labour legislations into a unified framework comprising four Labour Codes, namely the Code on Wages, 2019; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Occupational Safety Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"). These Codes have been made effective from November 21 2025 which has resulted into recognizing incremental liability amounting to ₹130.96 Lakhs, mainly due to change in definition of wages, in the Year ended March 31 2026. The Company will review updates to the final Central and State rules and revise related estimates and provisions in subsequent periods as required.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

c) Amount recognized in statement of profit and loss in respect of these employee benefits are as follows:

Particulars	Gratuity	
	For the year ended March 31 2026	For the year ended March 31 2025
Expenses Recognized in the Statement of Profit or Loss		
Current service cost	21.16	14.22
Net interest expense	0.89	5.80
Past Service Cost	39.21	-
Components of defined benefit costs recognized in profit or loss	**61.26**	**20.02**
Expenses Recognized in the Other Comprehensive Income		
Actuarial (gain) loss on defined benefit obligation	90.44	29.65
Return on Plan Assets, Excluding Interest Income	9.39	(0.13)
Net (Income)/Expense For the Period recognized in other comprehensive income	**99.83**	**29.52**

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at March 31 2025. The present value of the defined benefit liability, and the related current service cost, were measured using the projected unit credit method.

d) The principal assumption used for the purpose of actuarial valuation are as follows:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Expected Return on Plan Assets	5.72% per annum	6.54% per annum
Discount rate	5.72% per annum	6.54% per annum
Expected rate of salary increase	1. Senior Management/ KMP 9% 2. Others 6%	1. Senior Management/ KMP 9% 2. Others 7%
Retirement age	60 years	58 years
Attrition rate	1. Senior Management/ KMP 2% 2. Others 60%	1. Senior Management/ KMP 2% 2. Others 60%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes:

(1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

(2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

e) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity		
For the year ended March 31 2026	**Increase**	**Decrease**
Impact of change in discount rate by 1%	(9.75)	10.63
Impact of change in salary growth rate by 1%	2.38	(2.73)
Impact of change in employee turnover rate by 1%	(1.34)	1.30
For the year ended March 31 2025	**Increase**	**Decrease**
Impact of change in discount rate by 1%	(5.94)	6.46
Impact of change in salary growth rate by 1%	2.78	(2.64)
Impact of change in employee turnover rate by 1%	(0.77)	0.78

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

f) The table below summarizes the maturity profile and duration of the gratuity liability:

Particulars	Gratuity	
	For the year ended March 31 2026	For the year ended March 31 2025
1st following year	72.93	19.67
2nd following year	54.30	17.24
3rd following year	36.90	12.79
4th following year	23.53	9.98
5th Following Year	14.21	7.18
6 to 10 years	42.14	83.35
11 years and above	113.92	35.25

37 SHARE BASED PAYMENTS

(a) To align the interest of the employees with those of stockholders, the Company, has instituted a "Employee Stock Option Scheme (ESOP)".

ESOP Plan 2020

The Employee Stock Options Plan 2020 (ESOP 2020/Plan) was approved by the Board at its meeting held on June 03 2020, and subsequently approved by the Shareholders at the Extraordinary General Meeting (EGM) held on June 08 2020, in accordance with the provisions of the Companies Act, 2013 and applicable rules made thereunder. Pursuant to the Plan, the Company was initially authorized to grant up to 1,70,00,000 Employee Stock Options to eligible employees in one or more tranches, which was subsequently increased to 1,75,00,000 Employee Stock Options pursuant to Shareholders' approval obtained at the EGM held on February 27 2024. The Company has granted stock options to the eligible employees as per the Plan.

The vested options shall be exercisable upon the occurrence of a Liquidity Event as defined under the Plan or as may be specified by the ESOP Committee/Board. The Plan 2020 is being administered and monitored by the ESOP Committee constituted by the Board. The Company is authorized to issue up to 1,75,00,000 (One Crore Seventy-Five Lakhs) Employees Stock Options having a face value of ₹10/- (Rupees Ten only) each to the eligible employees upon fulfilment of such vesting criteria as determined by the ESOP Committee/Board. The options shall be settled through issuance of equity shares.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

ESOP Plan 2025

The Employee Stock Options Plan 2025 (ESOP 2025/Plan) was approved by the Board at its meeting held on March 25 2025, and subsequently by the shareholders at the Extraordinary General Meeting (EGM) held on March 28 2025, in accordance with the provisions of the Companies Act, 2013 2013 and applicable rules made thereunder. The Company has granted stock options to the eligible employees as per the Plan.

The vested options shall be exercisable upon the occurrence of a Liquidity Event as defined under the Plan or as may be specified by the ESOP Committee/Board. The Plan is being administered and monitored by the ESOP Committee constituted by the Board. The Company is authorized to issue up to 2,75,00,000 (Two Crore Seventy-Five Lakhs) Employees Stock Options having a face value of ₹10/- (Rupees Ten only) each to the eligible employees upon fulfilment of such vesting criteria as determined by the ESOP Committee/Board. The options shall be settled through issuance of equity shares.

(b) The salient terms of the scheme are set out hereunder:

Particulars	ESOP Scheme						
	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price (₹ per option)	Fair value of options (₹)	Risk free interest rate	Expected volatility
HFS EMPLOYEES STOCK OPTION SCHEME 2020 (ESOP 2020)							
Grant - I	June 10 2020	12,465,000	On 3rd/4th/5th anniversary from the date of joining.	10	1.17	5.18%	16.85%
Grant - II	July 08 2021	180,000	On 3rd/4th/5th anniversary from the date of Grant.	10	1.05	5.03%	21.31%
Grant - III	April 04 2022	285,000	On 3rd/4th/5th anniversary from the date of Grant.	10	1.24	4.93%	32.06%
Grant - III	April 04 2022	895,000	1st/2nd/3rd anniversary from date of grant.	10	1.24	4.93%	32.06%
Grant - IV	November 18 2022	1,640,000	On 3rd/4th/5th anniversary from the date of Grant.	10	1.03	6.65%	12.09%
Grant - V	October 23 2023	1,600,000	1st/2nd/3rd anniversary from date of grant.	10	3.46	7.42%	15.76%
Grant - V	October 23 2023	275,000	On 3rd/4th/5th anniversay from the date of Grant.	10	3.46	7.42%	15.76%
Grant - VI	February 27 2024	825,000	1st/2nd/3rd anniversary from date of grant.	10	3.60	7.08%	24.54%

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	ESOP Scheme						
	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price (₹ per option)	Fair value of options (₹)	Risk free interest rate	Expected volatility
HIRANANDANI FINANCIAL SERVICES - EMPLOYEE STOCK OPTION PLAN 2025 (ESOP 2025/PLAN)							
Grant - I	May 30 2025	25,965,000	1/5th every year from date of grant	11.85	3.01-3.49	5.91-5.98%	16.08%

(c) The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Employee Stock Options (ESOPs)	March 31 2026		March 31 2025	
	Number of Options Granted	WAEP	Number of Options Granted	WAEP
Outstanding at the beginning of the year	1,71,60,000	10.00	1,73,05,000	10.00
Options granted during the year	2,59,65,000	11.85	-	10.00
Options exercised during the year	(94,38,274)	10.00	-	10.00
Options forfeited during the year	(1,95,000)	10.73	(1,45,000)	10.00
Options expired during the year	-	10.00	-	10.00
Options outstanding at the end of the year	**3,34,91,726**	**11.43**	**1,71,60,000**	**10.00**
Of which, vested options outstanding at the end of the year	54,77,340	10.00	1,26,26,614	10.00

The ESOPs outstanding at the end of the year had exercise price of ₹11.43 (as at March 31 2025: ₹10), and a weighted average remaining contractual life (Vesting and exercise period) of 4.71 years (as March 31 2025: 2.32 years).

The life of the options granted (Vesting and exercise period) ranges from 1 year to 8 years.

(d) Fair value of share options

Options were priced using Black Scholes Model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

(e) Amount of expense recognized in the statement of profit and loss

Particulars	ESOP	
	March 31 2026	March 31 2025
- Expenses arising from share based payments during the year	182.13	29.30
Total	**182.13**	**29.30**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

38 FAIR VALUE MEASUREMENTS

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	Carrying Value		Fair Value	
		As at March 31 2026	As at March 31 2025	As at March 31 2026	As at March 31 2025
Financial assets					
a) Measured at fair value through profit or loss (FVTPL)					
- Investment in security receipts	Level 3	2,898.27	-	2,898.27	-
- Derivative Financial Instruments	Level 2	1,128.09	-	1,128.09	-
b) Measured at amortized cost					
- Cash and cash equivalents	Level 1	19,630.50	15,262.85	19,630.50	15,262.85
- Bank balance other than included in (a) above	Level 1	40,252.81	20,004.78	40,252.81	20,004.78
- Loans	Level 3	3,29,292.28	2,71,245.86	3,29,292.28	2,71,245.86
- Security deposits	Level 3	299.49	237.37	299.49	237.37
- Trade receivables	Level 3	-	-	-	-
- Other receivables	Level 3	301.70	333.04	301.70	333.04
- Other financial assets	Level 3	850.43	814.12	850.43	814.12
		3,90,627.21	3,07,898.02	3,90,627.21	3,07,898.02
Total financial assets		**3,94,653.57**	**3,07,898.02**	**3,94,653.57**	**3,07,898.02**
Financial liabilities					
a) Measured at fair value through other comprehensive income (FVTOCI)					
- Derivative Financial Instruments	Level 2	-	506.95	-	506.95
b) Measured at amortized cost					
- Debt Securities	Level 3	22,444.40	9,988.53	22,444.40	9,988.53
- Borrowings (Other than debt securities)	Level 3	1,97,940.01	2,10,629.00	1,97,940.01	2,10,629.00
- Trade payables	Level 3	0.10	34.18	0.10	34.18
- Other payables	Level 3	-	-	-	-
- Lease liabilities (refer note 45)	Level 3	1,293.67	1,117.52	1,293.67	1,117.52
- Other financial liabilities	Level 3	1,274.50	1,190.80	1,274.50	1,190.80
		2,22,952.68	2,23,466.98	2,22,952.68	2,23,466.98
Total financial liabilities		**2,22,952.68**	**2,23,466.98**	**2,22,952.68**	**2,23,466.98**

b) The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

c) There were no transfers between any levels for Fair value measurements.

d) The following methods/assumptions were used to estimate the fair values:

i) The carrying value of trade receivables, cash and cash equivalents, other bank balances, trade payables, other payables, security deposits, other financial assets and other financial liabilities measured at amortized cost approximate their fair value due to the short-term maturities of these instruments.

ii) Loans The Company measures loans at amortized cost and estimates their fair value using the present value technique, discounting the expected future cash flows at current market rates. The current market rates used do not reflect significant changes from the rates applied initially. Therefore, the carrying amounts of loans approximate their fair values.

iii) Borrowings The Company measures borrowings at amortized cost and determines their fair value using the present value technique by discounting future cash flows at prevailing market rates. As there are no material differences between current market rates and the rates at which these borrowings were originally contracted, their carrying amounts approximate their fair values.

iv) Derivative financial instruments The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk and are measured at fair value through other comprehensive income. The fair values of derivative financial instruments is measured on Marked to Market basis.

v) Investment in Security receipts in are measured at fair value through profit or loss. The fair value is determined based on the Net Asset Value (NAV) declared by the respective trust as at the reporting date. Changes in fair value are recognized in the statement of profit and loss.

e) Fair Value Hierarchy of assets and liabilities

	Level	Fair Value	
		As at March 31 2026	As at March 31 2025
Assets measured at fair value on a recurring basis			
- Investment in security receipts	Level 3	2,898.27	-
- Derivative Financial Instruments	Level 2	1,128.09	-
Liabilities measured at fair value on a recurring basis			
- Derivative Financial Instruments	Level 2	-	506.95

Investments in Security Receipts are fair valued through Profit & Loss account. Derivative Financial Instruments are fair valued through Other Comprehensive Income.

39 CAPITAL MANAGEMENT

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI. For details refer note 48.1.

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31 2026	As at March 31 2025
Tier - I capital	1,72,669.79	85,001.71
Tier - II capital	1,298.43	818.09
Total Capital	**1,73,968.22**	**85,819.80**
Aggregate of Risk Weighted Assets	3,58,214.03	2,80,220.67
Tier - I capital ratio	48.21%	30.34%
Tier - II capital ratio	0.36%	0.29%
Total Capital ratio	**48.57%**	**30.63%**

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's management monitors and manages key financial risk relating to the operations of the Company by analyzing exposures by degree & magnitude of risk. The Company's activities expose it a variety of financial risks- credit risk, liquidity risks and the market risk (including interest rate risk, currency risk and other price risk). The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans, advances and other financial assets. The Company has credit policy approved by the Board of directors which is subject to annual review. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, obtaining sufficient collateral, where appropriate and by monitoring exposures in relation to such limits. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount except in case of loans where the maximum exposure to credit risk includes exposure with respect to undrawn commitments. Credit Risk is monitored through stringent credit appraisal, counter party limits ands internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

a) Maximum exposure to the Credit risk

This table below shows the Company's maximum exposure to the credit risk.

Particulars	As at March 31 2026	As at March 31 2025
Financial Assets at amortized cost - Loans (Gross)	3,34,302.13	2,74,692.46
Less:Impairment loss allowances*	(5,009.85)	(3,446.60)
Financial Assets at amortized cost - Loans (Net)	**3,29,292.28**	**2,71,245.86**
Financial Assets at amortized cost - Receivables (Gross)	301.70	333.04
Less:Impairment loss allowances	-	-
Financial Assets at amortized cost - Receivables (Net)	**301.70**	**333.04**

**includes ECL on undrawn loan commitments.*

Cash and cash equivalents, bank deposits

The Company maintains its cash and cash equivalents, bank deposits with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Trade receivables, Security deposits and other financial assets

The Company monitors the credit behaviour of the counterparties. These instruments generally have a maturity between 30 to 90 days (e.g. trade receivables and trade advances) and carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortized cost is primarily assessed by the Days Past Due (DPD) status.

Inputs, assumptions and techniques used for estimating impairment:

Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD).

Calculation of expected credit losses (ECL)

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD. For stage 1 assets, the 12 month ECL is calculated. For assets in stage 2 and 3, Lifetime ECL is calculated using the lifetime PD.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

The key elements in calculation of ECL are defined as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. 12 month PD estimation process is done based on historical internal data. While arriving at the PD, the entity also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

EAD - The Exposure at Default represents the gross carrying amount of financial assets at reporting date which includes principal outstanding and interest accrued on reporting date and expected drawdown on committed facility.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on historical recovery experience of collaterals and other relevant factors.

The following table sets out information about the credit quality of financial assets measured at amortized cost.

	As at March 31 2026	As at March 31 2025
Gross Stage 1 (DPD<= 30 days) performing asset and 12 month ECL	**3,19,084.03**	**2,64,180.95**
Less: Impairment loss allowance	(1,298.43)	(818.08)
Net Stage 1 Assets	**3,17,785.60**	**2,63,362.87**
ECL provision coverage	0.41%	0.31%
Gross Stage 2 (30>DPD<= 90 days) under performing assets increase in credit risk and lifetime ECL	**11,810.77**	**8,963.59**
Less:Impairment loss allowance	(862.52)	(480.59)
Net Stage 2 Assets	**10,948.25**	**8,483.00**
ECL provision coverage	7.30%	5.36%
Gross Stage 3 (DPD>90) non-performing assets credit impaired and lifetime ECL*	**8,061.65**	**5,521.12**
Less: Impairment loss allowance	(2,848.90)	(2,147.93)
Net Stage 3 Assets	**5,212.75**	**3,373.19**
ECL provision coverage	35.34%	38.90%
Total loans	**3,38,956.45**	**2,78,665.66**
Less: Impairment loss allowance	(5,009.85)	(3,446.60)
Net loans	**3,33,946.60**	**2,75,219.06**
ECL provision coverage	1.48%	1.24%

**Including accounts marked as NPA in accordance with Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (Updated as on November 28 2025)*

Note - Gross amount includes accrued interest

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

c) Movement in gross exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortized cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

		Movement in Gross Exposure to Loans				Movement in ECL			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31 2024		**1,88,685.57**	**2,447.49**	**1,580.53**	**1,92,713.59**	**715.06**	**143.22**	**678.48**	**1,536.76**
Add/(Less):									
-	**Transfers between Stages**								
a)	Transfers from Stage I	(11,525.62)	7,943.14	3,582.48	-	(1,745.88)	426.94	1,318.94	-
b)	Transfers from Stage II	344.94	(1,275.08)	930.14	-	1.05	(326.60)	325.55	-
c)	Transfers from Stage III	44.62	33.88	(78.50)	-	0.13	1.78	(1.91)	-
-	New assets originated, repaid and derecognized during the year	86,631.44	(185.84)	(493.53)	85,952.07	1,847.72	235.25	(173.13)	1,909.84
Gross carrying amount as at March 31 2025		**2,64,180.95**	**8,963.59**	**5,521.12**	**2,78,665.66**	**818.08**	**480.59**	**2,147.93**	**3,446.60**
Gross carrying amount as at March 31 2025		**2,64,180.95**	**8,963.59**	**5,521.12**	**2,78,665.66**	**818.08**	**480.59**	**2,147.93**	**3,446.60**
Add/(Less):									
-	**Transfers between Stages**								
a)	Transfers from Stage I	(14,757.76)	9,184.50	5,573.26	-	(2,663.77)	697.89	1,965.88	-
b)	Transfers from Stage II	1,274.30	(3,387.47)	2,113.17	-	3.98	(743.59)	739.61	-
c)	Transfers from Stage III	102.85	136.09	(238.94)	-	0.32	8.51	(8.83)	-
-	New assets originated, repaid and derecognized during the year	68,283.69	(3,085.94)	(4,906.96)	60,290.79	3,139.82	419.12	(1,995.69)	1,563.25
Gross carrying amount as at March 31 2026		**3,19,084.03**	**11,810.77**	**8,061.65**	**3,38,956.45**	**1,298.43**	**862.52**	**2,848.90**	**5,009.85**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

d) Collateral and other credit enhancements

Company would generally have its credit exposures backed by residential and commercial properties as a primary collateral. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered. There were no significant changes in the collateral policy of the Company during the financial year.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below.

As at March 31 2026	Maximum exposure to credit risk	Residential Property	Commercial Property	Total Collateral	Net Exposure	Associated ECL
Financial assets						
(a) Cash & Bank balance (Excluding Cash in hand)	59,783.19	-	-	-	59,783.19	-
(b) Receivables	301.70	-	-	-	301.70	-
(c) Loans (Gross)*	3,38,956.45	9,77,871.90	44,326.02	10,22,197.92	112.60	5,009.85
(d) Investments	2,898.27	-	-	-	2,898.27	-
(e) Other financial assets	1,149.92	-	-	-	1,149.92	-
Total financial assets	**4,03,089.53**	**9,77,871.90**	**44,326.02**	**10,22,197.92**	**64,245.68**	**5,009.85**

As at March 31 2025	Maximum exposure to credit risk	Residential Property	Commercial Property	Total Collateral	Net Exposure	Associated ECL
Financial assets						
(a) Cash & Bank balance (Excluding Cash in hand)	35,094.48	-	-	-	35,094.48	-
(b) Receivables	333.04	-	-	-	333.04	-
(c) Loans (Gross)*	2,78,665.66	8,08,981.53	37,745.69	8,46,727.22	1,012.73	3,446.60
(d) Investments	-	-	-	-	-	-
(e) Other financial assets	1,051.49	-	-	-	1,051.49	-
Total financial assets	**3,15,144.67**	**8,08,981.53**	**37,745.69**	**8,46,727.22**	**37,491.74**	**3,446.60**

**Net exposure of Loans (Gross) represents unsecured loan portfolio. Net exposure to secured loan book is Nil.*

ii) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company has sufficient amount of outstanding term borrowings. The Company believes that its working capital and term loans are sufficient to meet its current requirements.

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Institutional set-up for liquidity risk management

The Liquidity Risk Management of the Company is governed by the Liquidity Risk Management Framework and Asset Liability Management Committee (ALCO). The ALCO has the overall responsibility for management of liquidity risk. The ALCO decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Asset Liability Management Committee (ALCO), is responsible for ensuring adherence to the liquidity risk tolerance/limits as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

Maturities of financial liabilities

Contractual maturities of significant financial Liabilities as on March 31 2026 and March 31 2025 based on undiscounted payments are as follows:

Maturities of financial liabilities

March 31 2026	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Debt Securities	15,099.11	7,345.29	-	22,444.40
Borrowings	70,532.94	1,22,379.90	5,027.17	1,97,940.01
Derivative Financial Instrument	-	-	-	-
Lease liabilities	417.81	875.86	-	1,293.67
Trade payables	0.10	-	-	0.10
Other financial liabilities	1,274.50	-	-	1,274.50
	87,324.46	**1,30,601.05**	**5,027.17**	**2,22,952.68**

March 31 2025	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Debt Securities	49.07	9,939.46	-	9,988.53
Borrowings	64,617.56	1,38,249.32	7,762.12	2,10,629.00
Derivative Financial Instrument	506.95	-	-	506.95
Lease liabilities	287.86	829.66	-	1,117.52
Trade payables	34.18	-	-	34.18
Other financial liabilities	1,190.80	-	-	1,190.80
	66,686.42	**1,49,018.44**	**7,762.12**	**2,23,466.98**
Commitments				
March 31 2026	**3,670.73**	**-**	**-**	**3,670.73**
March 31 2025	**3,210.07**	**115.43**	**-**	**3,325.50**

Note:

- Debt Securities are classified based on the exercise date of the call or put option.

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include foreign currency receivables, deposits, trade payables and loans. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Certain borrowings carry variable interest rates, making them sensitive to fluctuations in market interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

As at March 31 2026	Impact on profit/loss before tax		Impact on other equity	
Particulars	**Favourable/ (Unfavourable) change 1% decrease**	**Favourable/ (Unfavourable) change 1% Increase**	**Favourable/ (Unfavourable) change 1% decrease**	**Favourable/ (Unfavourable) change 1% Increase**
Borrowings	1,843.89	(1,843.89)	1379.82	(1,379.82)
Loans	(3,342.84)	3,342.84	(2,501.51)	2,501.51

As at March 31 2025	Impact on profit/loss before tax		Impact on other equity	
Particulars	**Favourable/ (Unfavourable) change 1% decrease**	**Favourable/ (Unfavourable) change 1% Increase**	**Favourable/ (Unfavourable) change 1% decrease**	**Favourable/ (Unfavourable) change 1% Increase**
Borrowings	1,908.93	(1,908.93)	1,428.49	(1,428.49)
Loans	(2,739.23)	2,739.23	(2,049.82)	2,049.82

(b) Pricing risk

The Company's Investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the Company does not possess any risk associated with trading. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately NIL (March 31 2025: NIL). A similar percentage decrease would have resulted equivalent opposite impact.

(c) Foreign Currency Risk

The Company is exposed to foreign currency risk primarily on account of its foreign currency borrowings. In order to manage this risk, the Company enters into derivative financial instruments, such as forward contracts, to hedge its exposure to foreign currency fluctuations. The Company fully hedge all foreign currency borrowings at the time of drawdown and to maintain the hedge until the repayment of the borrowings. The counterparties to these derivative contracts are generally reputable banks.

The Company has Nil amount of unhedged foreign currency exposure as on March 31 2026 and as on March 31 2025.

In accordance with the Company's policy, its risk profile is assessed before entering into hedging transactions, which are approved by the authorized signatory of the Company. The effectiveness of hedges is assessed by the ALCO. The effectiveness of all the hedge relationships is monitored by the ALCO from time to time. Currently, the positions are fully hedged (i.e. 100% risk of foreign exchange movement) in line with the Board approved policy.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

iii) Enterprise risk management

The Company has adopted a comprehensive enterprise-level risk management framework designed to proactively identify, assess, and mitigate risks through layered controls. This framework is anchored in the "Three Lines of Defense" model, ensuring robust governance and oversight across all levels of the organization.

(a) Operational Risk

The Company adopts a structured approach to operational risk management. Key controls include robust policies, internal control standards, a Risk and Control Matrix (RCM), and a defined governance structure. Regular monitoring and updates ensure alignment with regulatory changes and industry best practices.

(b) Information Security Risk

Given the dynamic and evolving threat landscape, Information Security continues to be a critical focus area. The Company has implemented comprehensive policies, processes, and a supporting technology framework to strengthen its security posture. Oversight is provided by the Information Security Committee (ISC), which operates under the supervision of the IT Strategy Committee (ITSC), ensuring a structured approach to managing cyber and information security risks.

41 RELATED PARTY TRANSACTIONS

41.1 Description of relationship

Name of person	NATURE OF RELATIONSHIP
Uday Suvarna	Chief Executive Officer (CEO)
Rajesh Rajak	Chief Financial Officer (CFO)
Ketaki Satam (till October 24 2025)	Company Secretary (CS)
Balan Santosh Parthasarathy (from January 20 2026)	Company Secretary (CS)
Harsh Hiranandani	Director
Neha Hiranandani	Director
Utpal Sheth	Independent Director
Prem Kumar Chophla	Independent Director
Anil Kaul	Independent Director
Kartikeya Kaji	Non-executive Nominee Director
Nama Taano Pte. Ltd.	Entity having Significant Influence
Hiranandani Financial Services Employees' Gratuity Trust	Controlled Gratuity Trust
Hiranandani Constructions Pvt. Ltd.	Relative of director is KMP in this company
HGP Community Private Limited.	Relative of director is KMP in this company
Roma Builders Private Limited.	Relative of director is KMP in this company

Related parties have been identified on the basis of the declaration received by the management and other records available. We have disclosed the list of related parties with whom transactions have been undertaken during the reporting period.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

41.2 Transactions with related parties during the year

Nature of Transaction		March 31 2026	March 31 2025
Equity influsion & allotment of shares (Including share premium)			
-	Harsh Hiranandani	-	5,000.00
-	Neha Hiranadani	-	1,000.00
-	Uday Suvarna	533.33	-
-	Nama Taano Pte. Ltd.	80,000.00	-
Repayment of Loan Received			
-	Harsh Hiranandani	-	4,600.00
Contribution towards Trust			
-	Hiranandani Financial Services Employees' Gratuity Trust	159.89	100.00
Withdrawal form Trust			
-	Hiranandani Financial Services Employees' Gratuity Trust	(5.03)	
Payment of Office Rent			
-	Hiranandani Constructions Pvt. Ltd.	0.36	0.36
-	Roma Builders Private Limited.	0.60	0.05
-	HGP Community Private Limited.	-	-
Remuneration to KMPs'*		556.27	509.11
Sitting fees to Directors			
-	Prem Kumar Chophla	25.00	23.00
-	Anil Kaul	19.00	8.00
Commission to Directors			
-	Prem Kumar Chophla**	-	2.88
-	Anil Kaul	6.00	17.00
TDS on perquisite			
-	Uday Suvarna	624.83	-

** Remuneration to KMPs does not include provision for gratuity and compensated absences.*

***As of March 31 2025, the balance includes ₹0.88 Lakhs pertaining to the previous period.*

41.3 Closing balance of related parties

Nature of Transaction		As at March 31 2026	As at March 31 2025
Office rent payable			
-	Roma Builders Private Limited.	-	0.05
Sitting fees payable to Directors			
-	Anil Kaul	-	1.00
Commission payable to Directors			
-	Prem Kumar Chophla	-	0.50
-	Anil Kaul	-	6.50

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

42 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities

The Company does not have any pending litigations which would impact its financial position as on March 31 2026 and March 31 2025.

(ii) Commitments

Particulars	As at March 31 2026	As at March 31 2025
a. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advance)	49.55	115.43
b. Loan sanctioned but not disbursed and or partially disbursed	3,621.18	3,210.07

43 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹106.50 Lakhs (Previous year: ₹43.47 Lakhs).

(a) The amount recognized as expense in the Statement of Profit and Loss on CSR related activities is ₹110.2 Lakhs (previous year:₹43.5 Lakhs) (Refer note no. 33 of financial statements), which comprises of:

(a) Amount spent during the year on:

	March 31 2026	March 31 2025
(i) Construction/acquisition of any asset		
Paid during the year	-	-
Set off from Previous Year	-	-
Total	**-**	**-**
(ii) On purposes other than (i) above		
Paid during the year	110.20	43.50
Set off from Previous Year	-	-
Total	**110.20**	**43.50**

(b) Amount of surplus to be carried forward in subsequent years for Set off:

	March 31 2026	March 31 2025
Amount spent in excess of requirements as per Companies Act, 2013 available for set off in subsequent years	0.10	0.07
Actual amounts spent	110.20	43.50
Amounts to be spent as per the requirements of Companies Act, 2013	106.50	43.47
Surplus carried forward to be set off in subsequent years	3.80	0.10

(c) Reason for shortfall	Not applicable	Not applicable

(d) Nature of CSR activities

March 31 2026	Supporting sustainable livelihood enhancement, enhancing vocational skills among rural youth including women and Promoting women empowerment.
March 31 2025	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

44 DISCLOSURES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT,2006

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below

	As at March 31 2026	As at March 31 2025
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
(i) Principal amount due	-	-
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

45 LEASES

Company as a lessee

The Company's leased assets primarily consist of lease of office space. The Company has elected to apply the practical expedient available under Ind AS 116 for short term leases. The Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Below are the summary of financial information related to the above lease contracts:

Movement in right of use assets:

	As at March 31 2026	As at March 31 2025
Gross Block		
Opening balance	**1,254.22**	**215.92**
Additions	561.24	1,346.17
Termination/Modification/End of lease contract	(8.80)	(307.87)
Closing Balance	**1,806.66**	**1,254.22**
Accumulated Depreciation		
Opening balance	**87.84**	**162.31**
Additions	444.88	142.61
Termination/Modification/End of lease contract	(1.19)	(217.08)
Closing Balance	**531.53**	**87.84**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Amounts recognized in profit or loss:

Particulars	March 31 2026	March 31 2025
Depreciation expense on right-of-use assets	444.88	142.61
Interest expense on lease liability	129.95	32.37
Expenses relating to short-term leases	27.84	229.85

Movement in lease liabilities:

Particulars	As at March 31 2026	As at March 31 2025
Opening balance	1,117.52	54.50
Additions	525.33	1,268.49
Modification/Cancellations	(7.26)	(90.54)
Amounts recognized in statement of profit and loss as interest expense	129.95	32.37
Payment of lease liabilities	(471.87)	(147.30)
Closing Balance	**1,293.67**	**1,117.52**

Amounts recognized in statement of cash flows:

Particulars	March 31 2026	March 31 2025
Total cash outflow for leases	471.87	147.30

Maturity analysis of contractual undiscounted cash flow:

Particulars	As at March 31 2026	As at March 31 2025
Not later than one year	524.20	384.60
Later than one year and not later than five years	982.40	943.60

Maturity analysis of lease liability:

Particulars	As at March 31 2026	As at March 31 2025
Not later than one year	417.81	287.86
Later than one year and not later than five years	875.86	829.66

Notes:

(1) When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at the weighted-average pre-tax rate ranging 9.36-9.98% p.a. for March 31 2026 (For March 31 2025: 9.98%).

(2) The maturity analysis of lease liabilities is presented in Note 40.

(3) During the previous year, the Company revised its estimate for determining lease terms under IND AS 116 – Leases. Previously, lease terms were based on the non-cancellable (lock-in) period. Effective January 01, 2025, lease terms are now assessed based on the full contractual period, including extension options where there is reasonable certainty of renewal, in compliance with IND AS 116. This change has been applied prospectively as a change in accounting estimate in accordance with IND AS 8. As a result, lease liabilities and right-of-use assets increased by ₹1,046.94 Lakhs and ₹1,096.86 Lakhs respectively, while security deposits decreased by ₹64.06 Lakhs.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Additionally, the change in estimate led to an impact on the Statement of Profit and Loss of previous year comprising:

Increase in Depreciation on right of use assets: ₹66.58 Lakhs

Increase in Interest expense on lease liabilities: ₹25.67 Lakhs

Increase in Other interest income: ₹3.69 Lakhs

Decrease in Rent expense: ₹69.95 Lakhs

46 SEGMENT INFORMATION

The Company is primarily engaged in the business of providing loans which is considered to be the only reportable business segment as per Ind AS - 108, Operating segments. The Company operates primarily in India and there is no other geographical segment.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

	As at March 31 2026			As at March 31 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
(a) Cash and cash equivalents	19,630.50	-	19,630.50	15,262.85	-	15,262.85
(b) Bank balance other than included in (a) above	39,934.54	318.27	40,252.81	19,826.38	178.40	20,004.78
(c) Derivative Financial Instruments	1,128.09		1,128.09	-	-	-
(d) Receivables				-	-	
- Trade receivables	-	-	-	-	-	-
- Other receivables	301.70	-	301.70	333.04	-	333.04
(e) Loans	56,154.14	2,73,138.14	3,29,292.28	45,151.76	2,26,094.10	2,71,245.86
(f) Investments	-	2,898.27	2,898.27	-	-	-
(g) Other financial assets	729.71	420.21	1,149.92	582.02	469.47	1,051.49
Total financial assets	**1,17,878.68**	**2,76,774.89**	**3,94,653.57**	**81,156.05**	**2,26,741.97**	**3,07,898.02**
Non-financial assets						
(a) Current tax assets (Net)	-	557.43	557.43	-	348.59	348.59
(b) Deferred tax assets (Net)	-	2,060.71	2,060.71	-	1,309.44	1,309.44
(c) Property, plant and equipment	-	571.66	571.66	-	412.28	412.28
(d) Intangible assets	-	267.02	267.02	-	175.69	175.69
(e) Intangible assets under development	35.51	-	35.51	36.93	-	36.93
(f) Right-of-use assets	-	1,275.13	1,275.13	-	1,166.38	1,166.38
(g) Other non-financial assets	708.91	215.35	924.26	346.87	28.65	375.52
Total non-financial assets	**744.42**	**4,947.30**	**5,691.72**	**383.80**	**3,441.03**	**3,824.83**
Total assets	**1,18,623.10**	**2,81,722.19**	**4,00,345.29**	**81,539.85**	**2,30,183.00**	**3,11,722.85**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31 2026			As at March 31 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
(a) Derivative Financial Instrument	-	-	-	506.95	-	506.95
(b) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprise and small enterprises	-	-	-	-	-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.10	-	0.10	34.18	-	34.18
(II) Other payables						
(i) Total outstanding dues of micro enterprise and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(c) Debt Securities	15,099.11	7,345.29	22,444.40	49.07	9,939.46	9,988.53
(d) Borrowings	70,532.94	1,27,407.07	1,97,940.01	64,617.56	1,46,011.44	2,10,629.00
(e) Lease liabilities	417.81	875.86	1,293.67	287.86	829.66	1,117.52
(f) Other financial liabilities	1,274.50	-	1,274.50	1,190.80	-	1,190.80
Total financial liabilities	**87,324.46**	**1,35,628.22**	**2,22,952.68**	**66,686.42**	**1,56,780.56**	**2,23,466.98**
Non-financial liabilities						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(b) Provisions	1,048.69	249.42	1,298.11	728.98	125.43	854.41
(c) Other non-financial liabilities	356.48	0.41	356.89	379.08	8.72	387.80
Total non-financial liabilities	**1,405.17**	**249.83**	**1,655.00**	**1,108.06**	**134.15**	**1,242.21**
Total liabilities	**88,729.63**	**1,35,878.05**	**2,24,607.68**	**67,794.48**	**1,56,914.71**	**2,24,709.19**

Notes:

- Impairment loss allowance and Effective interest rate adjustment is classified under the bucket "After 12 months.
- Debt Securities are classified based on the exercise date of the call or put option.
- In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

48 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (UPDATED AS ON NOVEMBER 28 2025)

(i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended March 31 2026

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	3,19,084.03	1,286.79	3,17,797.24	1,262.96	23.83
	Stage 2	11,810.77	862.03	10,948.74	45.27	816.76
Subtotal for standard		**3,30,894.80**	**2,148.82**	**3,28,745.98**	**1,308.23**	**840.59**
Non-Performing Assets (NPA)						
Substandard	Stage 3	7,739.39	2,724.02	5,015.37	773.94	1,950.08
Doubtful - up to 1 year	Stage 3	308.50	111.12	197.38	61.70	49.42
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**8,047.89**	**2,835.14**	**5,212.75**	**835.64**	**1,999.50**
Loss	Stage 3	13.76	13.76	-	13.76	-
Subtotal for NPA		**8,061.65**	**2,848.90**	**5,212.75**	**849.40**	**1,999.50**
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	3,613.57	11.64	3,601.93	-	11.64
	Stage 2	7.61	0.49	7.12	-	0.49
	Stage 3	-	-	-	-	-
Subtotal		3,621.18	12.13	3,609.05	-	12.13
Total	Stage 1	**3,22,697.60**	**1,298.43**	**3,21,399.17**	**1,262.96**	**35.47**
	Stage 2	11,818.38	862.52	10,955.86	45.27	817.25
	Stage 3	8,061.65	2,848.90	5,212.75	849.40	1,999.50
Total		**3,42,577.63**	**5,009.85**	**3,37,567.78**	**2,157.63**	**2,852.22**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Year ended March 31 2025

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	2,64,180.95	808.46	2,63,372.49	1,046.52	(238.06)
	Stage 2	8,963.59	480.49	8,483.10	34.31	446.18
Subtotal for standard		**2,73,144.54**	**1,288.95**	**2,71,855.59**	**1,080.83**	**208.12**
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,525.15	1,638.90	2,886.25	459.15	1,179.75
Doubtful - up to 1 year	Stage 3	795.52	372.84	422.68	160.36	212.48
1 to 3 years	Stage 3	185.82	121.09	64.73	57.02	64.07
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**5,506.49**	**2,132.83**	**3,373.66**	**676.53**	**1,456.30**
Loss	Stage 3	14.63	14.63	-	14.63	-
Subtotal for NPA		**5,521.12**	**2,147.46**	**3,373.66**	**691.16**	**1,456.30**
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	3,206.96	9.62	3,197.34	-	9.62
	Stage 2	1.76	0.10	1.66	-	0.10
	Stage 3	1.35	0.47	0.88	-	0.47
Subtotal		3,210.07	10.19	3,199.88	-	10.19
Total	Stage 1	**2,67,387.91**	**818.08**	**2,66,569.83**	**1,046.52**	**(228.44)**
	Stage 2	8,965.35	480.59	8,484.76	34.31	446.28
	Stage 3	5,522.47	2,147.93	3,374.54	691.16	1,456.77
Total		**2,81,875.73**	**3,446.60**	**2,78,429.13**	**1,771.99**	**1,674.61**

** Gross amount includes accrued interest*

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at March 31 2026 and March 31 2025, no amount is required to be transferred to 'Impairment Reserve' for both the financial years.

(ii) In terms of recommendations as per above referred notification, the Company has adopted the same definition of default for accounting purposes as guided by the definition used for regulatory purposes.

As at March 31 2026 and March 31 2025, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49 NBFC DISCLOSURES

Disclosure as per Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on November 28 2025)

49.1 Capital to Risk Asset ratio (CRAR):

Particulars	As at March 31 2026	As at March 31 2025
CRAR (%)	48.57%	30.63%
CRAR -Tier I Capital (%)	48.21%	30.34%
CRAR-Tier II Capital (%)	0.36%	0.29%
Amount of Subordinated debt raised as Tier-2 capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

49.2 Investments

Particulars	As at March 31 2026	As at March 31 2025
Value of Investments		
(i) Gross Value of Investments		
a) In India	3,054.77	-
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	156.50	-
b) Outside India	-	-
(iii) Net Value of Investments		
a) In India	2,898.27	-
b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	156.50	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	156.50	-

49.3 Derivatives

a) Forward Rate Agreement/Interest Rate Swap

Particulars	As at March 31 2026	As at March 31 2025
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps[$]	-	-
(v) The fair value of the swap book[@]	-	-

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

[$]Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

[@]WIf the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

b) Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31 2026	As at March 31 2025
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

c) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company enters into derivative financial instruments for its foreign currency risk exposures.The derivatives are measured to their fair value at the balance sheet date. These instruments are designated as cash flow hedges and are measured at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under hedge reserve. Fair values of derivative financial instruments are determined on a Marked to Market basis.

Quantitative disclosure

Particulars	As at March 31 2026	As at March 31 2025
	Currency Derivatives	Currency Derivatives
Derivatives (notional principal amount)	27,562.60	22,355.69
Marked to market positions	-	-
Assets (+)	1,128.09	-
Liability (-)	-	506.95
Credit exposure	-	-
Unhedged exposure	-	-

49.4 Maturity pattern of certain items of Assets and Liabilities as at March 31 2026

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Loans	8,685.43	4.58	-	4,165.98	4,236.70	12,901.43	26,160.02	1,03,329.54	43,953.05	1,25,855.55	3,29,292.28
Borrowings	753.43	139.21	3,112.81	3,341.28	9,683.15	18,326.36	35,176.70	93,810.20	28,569.70	5,027.17	1,97,940.01
Debt Securities	-	-	-	95.41	3.70	-	15,000.00	7,345.29	-	-	22,444.40

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Maturity pattern of certain items of Assets and Liabilities as at March 31 2025

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Loans	5,674.95	1,634.26	-	3,347.92	3,417.27	10,305.57	20,767.21	83,314.79	35,926.65	1,06,857.24	2,71,245.86
Borrowings	775.87	170.07	2,973.38	3,384.41	8,668.27	16,147.91	32,497.65	1,04,546.97	33,702.35	7,762.12	2,10,629.00
Debt Securities	-	-	-	49.07	-	-	-	9,939.46	-	-	9,988.53

Notes:

- Impairment loss allowance and Effective interest rate adjustment is classified under the bucket "Over 5 years."

- Debt Securities are classified based on the exercise date of the call or put option.

- In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.

49.5 Exposure to Real Estate Sector:

Particulars	As at March 31 2026	As at March 31 2025
i) Direct exposure		
a) Residential Mortgages	3,21,427.38	2,62,994.56
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.		
b) Commercial Real Estate	12,856.22	10,928.55
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 shall also include non-fund based limits.	-	-
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
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 shall also include non-fund based limits.		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	**3,34,283.60**	**2,73,923.11**

49.6 The Company has Nil exposure to the capital market as at March 31 2026. (Previous Year - Nil)

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.7 Sectoral exposure

Sectors	As at March 31 2026			As at 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	**66,480.11**	**1,708.34**	**2.57%**	**50,865.50**	**1,055.79**	**2.08%**
i. Agricultural And Allied Products	21,748.64	529.80	2.44%	16,476.44	304.38	1.85%
ii. Dairy And Dairy Products	40,751.38	1,078.64	2.65%	31,504.64	708.39	2.25%
iii. Others	3,980.09	99.90	2.51%	2,884.42	43.02	1.49%
2. Industry (MSME)	**1,52,923.77**	**4,467.29**	**2.92%**	**1,31,844.50**	**2,991.87**	**2.27%**
i. Consumer Durables	12,009.58	397.88	3.31%	10,528.19	346.55	3.29%
ii. Contracting And Ancillary	41,624.16	998.31	2.40%	32,495.61	634.73	1.95%
iii. Food And Beverages	12,555.82	453.86	3.61%	11,872.75	399.10	3.36%
iv. Retail	22,543.69	654.60	2.90%	20,250.60	414.07	2.04%
v. Textiles	20,906.74	702.91	3.36%	17,747.40	520.78	2.93%
vi. Other	43,283.77	1,259.72	2.91%	38,949.94	676.64	1.74%
3. Services	**48,166.12**	**1,222.71**	**2.54%**	**39,906.43**	**867.65**	**2.17%**
4. Personal Loans	**70,445.63**	**663.31**	**0.94%**	**55,510.67**	**605.82**	**1.09%**

49.8 Company has Nil intra-group exposure during the financial year ended March 31 2026. (Previous Year - Nil)

49.9 The Company does not finance any parent company products during the financial year ended March 31 2026. (Previous Year - Nil)

49.10 The Company has not exceeded the Single Borrower Limit and nor has exceeded the Group Borrower Limit during the financial year ended March 31 2026. (Previous Year - Nil)

49.11 The Company has not given any loans against intangible securities during the financial year ended March 31 2026. (Previous Year - Nil)

49.12 No instances of breach of covenant of loan availed or debt securities issued during the financial year ended March 31 2026. (Previous Year - Nil). As there are no covenant breaches, no loans have been recalled by any of the lenders for the year ended March 31 2026 and March 31 2025.

49.13 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 March 31 2026 and March 31 2025.

b) RBI has not identified additional GNPAs exceeding 5 percent of reported GNPAs for the year ended March 31 2026 and March 31 2025.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.14 Registration obtained from financial sector regulators

Regulator	Registration Number
Reserve Bank of India (RBI)	Certificate of Registration No. N-13.02257
Ministry of Corporate Affairs	Corporate Identification number U65999MH2017PTC291060
Financial Intelligence Unit	FI00002908
Insurance Regulatory and Development Authority of India	Certificate of Registration No. CA0887 as Corporate Agent (Composite)

The Company is not registered under any other regulator other than mentioned above.

49.15 During the financial year ended March 31 2026, no penalties were imposed by any regulator including the Reserve Bank of India (Previous Year – Nil). However, during previous year, a penalty of ₹0.03 Lakhs (including taxes) was levied in September 2024 for non-compliance with Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the requirement to appoint a qualified Company Secretary as the Compliance Officer, which was subsequently waived off. Further, in October 2024, a penalty of ₹0.12 Lakhs (including taxes) was levied for non-compliance with Regulation 60(2) of the SEBI (LODR) Regulations, 2015 regarding delay in giving Notice of Record Date, which was paid on February 27 2025.

49.16 Provisions and Contingencies

Category wise breakup of Provisions & Contingencies shown in Statement of Profit and Loss	For the year ended March 31 2026	For the year ended March 31 2025
Provision towards Expected Credit Loss (ECL)	1,563.25	1,909.84
Provision towards Security Receipts	156.50	-
Provision for income tax	3,892.32	2,283.07
Provision for gratuity	61.26	20.02
Provision for leave encashment	279.95	118.13
Provision for bonus and other incentive	800.00	597.00
Provision for depreciation and amortization	699.73	333.72

49.17 Concentration of Advances

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Total Advances to twenty largest borrowers	1,585.86	1,653.49
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.47%	0.60%

- Advance is taken as Principal Balance and accordingly percentage is derived

49.18 Concentration of Exposures

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Total Exposures to twenty largest borrowers/customers	1,585.86	1,653.49
Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers	0.47%	0.60%

- Advance is taken as Principal Balance and accordingly percentage is derived

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.19 Concentration of NPAs

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Total Exposures to top four NPA accounts	193.84	167.09

49.20 Sector-wise NPAs

	Percentage of NPAs to Total Advances in that sector	
Sector	**For the year ended March 31 2026**	**For the year ended March 31 2025**
Agriculture & allied activities	2.57%	2.08%
MSME	2.92%	2.27%
Services	2.54%	2.17%
Other personal loans	0.94%	1.09%

49.21 Movement of NPA

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
(i) Net NPA to Net Advances (%)	1.57%	1.23%
(ii) Movement of NPA (Gross)		
(a) Opening balance	5,521.12	1,580.53
(b) Additions during the year	7,686.43	4,512.62
(c) Reductions/Recoveries during the year	(5,145.90)	(572.03)
(d) Closing balance	8,061.65	5,521.12
(iii) Movement of Net NPA		
(a) Opening balance	3,373.19	902.05
(b) Additions during the year (net)	4,980.94	2,868.13
(c) Reductions/Recoveries during the year (net)	(3,141.38)	(396.99)
(d) Closing balance	5,212.75	3,373.19
(iv) Movement of provisions for NPA		
(a) Opening balance	2,147.93	678.48
(b) Provisions made during the year	2,705.49	1,644.49
(c) Write-off/write -back of excess provisions	(2,004.52)	(175.04)
(d) Closing balance	2,848.90	2,147.93

#Movement in gross exposure

49.22 The Company does not have any overseas assets during the financial year ended March 31 2026. (Previous Year - Nil)

49.23 The Company does not have Off-balance Sheet SPVs sponsored during the financial year ended March 31 2026. (Previous Year - Nil)

49.24 The Company has made no drawdown from existing reserves during the financial year ended March 31 2026. (Previous Year - Nil)

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.25 Ratings assigned by credit rating agencies and migration of ratings during the year

Name of credit rating agency	Instrument	For the year ended March 31 2026	For the year ended March 31 2025
CARE Ratings Limited	Long Term Bank Facilities	CARE A+/Stable	CARE A+/Stable
CARE Ratings Limited	Short Term Bank Facilities	CARE A1+	CARE A1+
CRISIL Ratings	Long Term Bank Facilities	CRISIL A+/Stable	CRISIL A/Stable
CARE Ratings Limited	Non-convertible Debenture	CARE A+/Stable	CARE A+/Stable

49.26 Remuneration of Directors

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Directors sitting fees and Commission paid to		
Utpal Sheth	-	-
Kartikeya Kaji	-	-
Prem Kumar Chophla	25.00	25.88
Anil Kaul	25.00	25.00

There are no other pecuniary transactions with Non-executive Directors during the year (Previous Year: Nil).

49.27 Customer complaints

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Complaints received by the NBFC from its customers	-	-
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	154	82
No. of complaints disposed during the year	154	82
Of which, number of complaints rejected by the NBFC	-	-
No. of complaints pending at the end of the year	-	-

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Maintainable complaints received by the NBFC from Office of Ombudsman		
A) Number of maintainable complaints received by the NBFC from Office of Ombudsman	28	27
of A, number of complaints resolved in favour of the NBFC by Office of Ombudsman	28	27
of A, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	-	-
of A, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

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 beyond 30 days
1	2	3	4	5	6
For the year ended March 31 2026					
Ground - 1 - Request for Foreclosure Letter	-	83*	245.83%	-	-
Ground - 2 - Others	-	32*	-44.83%	-	-
Ground - 3	-	-	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-
For the year ended March 31 2025					
Ground - 1 - Request for Foreclosure Letter	-	24*	0.00%	-	-
Ground - 2 - Others	-	58*	728.57%	-	-
Ground - 3	-	-	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-

**This Disclosure contains complaints forming 10% or more of total Compliants.*

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.28 Details of all material transactions with related parties

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management		Relatives of Key Management Personnel@		Others*		Total	
Items	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity influsion & allotment of shares (Including share premium)	-	-	-	-	-	-	533.33	6,000.00	-	-	80,000.00	-	80,533.33	6,000.00
Repayment of Loan Received	-	-	-	-	-	-	-	4,600.00	-	-	-	-	-	4,600.00
Others*	-	-	-	-	-	-	1,181.10	509.11	-	-	205.82	151.29	1,386.92	660.40

**Others include total for the items which are not more than 5 per cent of total related party transactions.*

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

49.29 Pursuant to the RBI Circular No DNBS.PD.CC. No. 256/03.10.042/2011-12 Dated March 02 2012, the details of frauds noticed/reported are as below:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Amount Involved is greater than or equal to 1 Lakhs*	-	24.42
Amount Recovered	-	9.68
Amount written off/provided	-	14.74
Balance	-	-

**No fraud with amount involved less than 1 Lakhs*

49.30 There are no prior period transactions included in the current year's statement of profit and loss and also there is no change in accounting policy during the current year.

49.31 There is no transaction in which the Revenue recognition has been postponed or pending the resolution of significant uncertainty.

49.32 The Company has not entered into Securitization transactions. During the financial year ended March 31 2026. (Previous Year - Nil)

49.33 The Company do not lend any gold and silver loans during the financial year ended March 31 2026. (Previous Year - Nil)

49.34 The Company does not have any Subsidiary/Joint Venture/Associates as at March 31 2026. Accordingly, the requirement to prepare Consolidated Financial Statements is not applicable.

49.35 The Company has Nil Project finance exposure as at March 31 2026. (Previous Year - Nil)

49.36 During the year ended March 31 2026, RBI has issued directions with regard to NFB Credit Facilities (Financial Statements: Presentation and Disclosures on November 28 2025) which shall come into force for the Company from April 01 2026. Accordingly, the disclosure is not applicable for FY 2025-26.

50 ADDITIONAL NBFC DISCLOSURES

Disclosure as per Annex I of Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on November 28 2025)

Particulars	March 31 2026		March 31 2025	
Liabilities side	**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 : Secured	22,444.40	-	9,988.53	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits*)				
(b) Deferred credits	-	-	-	-
(c) Term loans	1,97,937.16	-	2,10,627.23	-
(d) Inter-corporate loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Other Loans – WCDL	-	-	-	-
(h) Other Loans – Cash Credit	2.85	-	1.77	-
(i) Other Loans – Finance Lease Obligation	-	-	-	-
(j) Other Loans – Overdraft	-	-	-	-
** Please see Note 1 below*				

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31 2026		March 31 2025	
Liabilities side	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
(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:	**Principal outstanding**	
	March 31 2026	**March 31 2025**
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	3,34,283.60	2,73,923.11
(b) Unsecured	110.84	993.91
(4) Break up of leased assets and stock on hire and other assets counting towards Asset financing activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Finance lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards Asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(5) Break-up of investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - Commercial Paper	-	-

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Assets side:	Principal outstanding	
	March 31 2026	March 31 2025
(5) Break-up of investments:		
Long term investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others – Security Receipts	2,898.27	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others – Commercial Paper	-	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: Refer note 2 below:

Category	Amount (net of provisions)			
	March 31 2026		March 31 2025	
	Secured	Unsecured	Secured	Unsecured
1. Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	3,29,292.63	91.96	2,70,584.82	885.59
Total	**3,29,292.63**	**91.96**	**2,70,584.82**	**885.59**

(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:

Category	March 31 2026		March 31 2025	
	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
1. Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	**-**	**-**	**-**	**-**

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

(8) Other information:

Particulars	March 31 2026	March 31 2025
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	8,061.65	5,521.12
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	5,212.75	3,373.19
(iii) Assets acquired in satisfaction of debt	-	-

Notes:

1. As defined in paragraph 5.1.26 of the Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified 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 shall be disclosed irrespective of whether they are classified as long term (amortized cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.
4. For loans and advances amounts are POS balances excluding interest.

51 NBFC DISCLOSURES

Public Disclosure on Liquidity Risk as per Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on November 28 2025)

Sr. No.	Type of Restructuring		Others				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01 2025	No. of borrowers	2.00	2.00	2.00	-	6
		Amount outstanding	32.43	36.34	25.25	-	94.02
		Provision thereon	3.37	11.19	8.84	-	23.40
2	Fresh restructuring during the year/repayment during the year	No. of borrowers	-	-	-	-	-
		Amount outstanding	(3.43)	-	-	-	(3.43)
		Provision thereon	(0.35)	-	-	-	(0.35)
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		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	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Sr. No.	Type of Restructuring		Others				
	Asset Classification Details		**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	(2)	(2)	-	(4)
		Amount outstanding	-	(36.34)	(25.25)	-	(61.59)
		Provision thereon	-	(11.19)	(8.84)	-	(20.03)
7	Restructured Accounts as on March 31 2026	No. of borrowers	2	-	-	-	2
		Amount outstanding	29.00	-	-	-	29.00
		Provision thereon	3.02	-	-	-	3.02

Sr. No.	Type of Restructuring		Others				
	Asset Classification Details		**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
1	Restructured Accounts as on April 01 2024	No. of borrowers	9	3	1	-	13
		Amount outstanding	102.87	23.33	12.80	-	139.00
		Provision thereon	10.70	4.67	3.84	-	19.21
2	Fresh restructuring during the year	No. of borrowers	-	1	-	-	1
		Amount outstanding	(2.95)	26.13	-	-	23.18
		Provision thereon	(0.31)	9.15	-	-	8.84
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		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	No. of borrowers	(5)	(1)	-	-	(6)
		Amount outstanding	(55.25)	(7.93)	(0.72)	-	(63.90)
		Provision thereon	(5.75)	(0.60)	2.37	-	(3.98)
5	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	-	1	-	-
		Amount outstanding	(10.28)	(2.89)	13.17	-	-
		Provision thereon	(1.07)	(1.57)	2.63	-	(0.01)
6	Write-offs of restructured accounts during the FY	No. of borrowers	(1)	(1)	-	-	(2)
		Amount outstanding	(1.97)	(2.30)	-	-	(4.27)
		Provision thereon	(0.20)	(0.46)	-	-	(0.66)
7	Restructured Accounts as on March 31 2025	No. of borrowers	2	2	2	-	6
		Amount outstanding	32.43	36.34	25.25	-	94.02
		Provision thereon	3.37	11.19	8.84	-	23.40

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

52 PUBLIC DISCLOSURE ON LIQUIDITY RISK AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (UPDATED AS ON NOVEMBER 28 2025)

1. Funding Concentration based on significant counterparty (both deposits and borrowings)

As at March 31 2026

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
26 (Twenty Six)	2,11,432.39	N.A.	94.13%

As at March 31 2025

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
29 (Twenty nine)	2,18,504.83	N.A.	97.24%

2. Top 20 large deposits (amount in ₹ and % of total deposits):

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is classified under Middle Layer pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

3. Top 10 borrowings (amount in ₹ and % of total borrowings):

As at March 31 2026

Amount (₹)	% of Total Borrowings
1,38,085.04	62.50%

As at March 31 2025

Amount (₹)	% of Total Borrowings
1,34,594.66	60.79%

4. Funding Concentration based on significant instrument/product:

Name of the instrument/product	As at March 31 2026		As at March 31 2025	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Term Loans from Banks and Financial Institutions	1,98,443.21	88.35%	2,11,424.82	94.09%
Non-convertible debentures	22,500.00	10.02%	10,000.00	4.45%
Term Loan from Promotor	-	0.00%	-	0.00%

- above amounts excludes interest accrued

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

5. Stock Ratios:

As at March 31 2026

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial papers	N.A.	N.A.	N.A.
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	31.73%	31.21%	17.51%

As at March 31 2025

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial papers	N.A.	N.A.	N.A.
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	28.99%	28.57%	20.59%

6. Institutional set-up for liquidity risk management:

The Liquidity Risk Management of the Company is governed by the Liquidity Risk Management Framework and Asset Liability Management Committee (ALCO). The ALCO has the overall responsibility for management of liquidity risk. The ALCO decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Asset Liability Management Committee (ALCO), is responsible for ensuring adherence to the liquidity risk tolerance/limits as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

Notes:

a. "Significant counterparty" means as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of total liabilities.

b. "significant instrument/product" means as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the total liabilities.

c. Total liabilities has been computed as sum of all liabilities (Balance Sheet figure) less equities and reserves/surplus.

d. Public funds is as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on November 28 2025).

e. Short-term liabilities include short-term borrowings, current maturities of long term debts and current maturities of finance leases.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

53 FOLLOWING ARE THE ADDITIONAL DISCLOSURES REQUIRED AS PER SCHEDULE III TO THE COMPANIES ACT, 2013 VIDE NOTIFICATION DATED MARCH 24 2021;

53.1 The Company has no relationship and transactions with struck off companies.

53.2 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

53.3 The Company is not having any subsidiary. Therefore, the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 in respect of Number of Layers is not applicable to the Company.

53.4 There are no such immovable properties on lease where lease deeds are not held in name of the Company.

53.5 There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

53.6 The Company is not holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

53.7 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

53.8 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53.9 The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms or period of repayment.

53.10 The Company has not traded or invested in Crypto currency or Virtual Currency.

53.11 The Company does not have any charges or satisfaction which is yet to be registered/filed with ROC beyond the statutory period.

53.12 The Company has obtained various borrowings from banks/FI on basis of security of current assets wherein the quarterly returns/statements of current assets as filed with banks/FI are in agreement with the books. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The Company is not declared as willful defaulter by any bank or financial Institution or other lender as at March 31 2026.

53.13 Thers is no such scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

53.14 The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions are required under any law/accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts.

53.15 There have been no events after the reporting date that require disclosure in these financial statements.

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

54 DIRECT ASSIGNMENT

Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021 (updated as on December 28 2023) for transfer through assignment of loan, acquisition of loans through assignment and acquisition/transfer of any stressed loan is as below:

a) The Company has not acquired any loans through assignment in respect of loans not in default during the year ended March 31 2026. (March 31 2025: Nil)

b) Details of loans (not in default) transferred through co-lending arrangement (CLM-2) during the year ended March 31 2026:Nil

During the year ended March 31 2025:

Particulars	Transferred
Entity	Bank
Count of loan accounts assigned (in numbers)	79
Amount of loan account assigned (in Lakhs)	884.76
Retention of beneficial economic interest (MRR)	20%
Weighted average maturity (residual maturity in months)	114.23
Weighted average holding period (in months)	6.72
Coverage of tangible Security	100%
Rating-wise distribution of rated loans	Not Rated

c) Details of transferred/acquired stressed loans during the year ended March 31 2026 (March 31 2025: Nil).

Particulars	Transferred
No. of accounts (in numbers)	787
Aggregate principal outstanding of loans transferred	5,407.60
Weighted average residual tenor of the loans transferred (in months)	66.05
Net book value of loans transferred (at the time of transfer)	3,357.97
Aggregate consideration	3,514.47
Additional consideration realized in respect of accounts transferred in earlier years	-

55 DISCLOSURES PURSUANT TO RBI NOTIFICATION - RBI/2021-22/16 DOR.NO.BP.BC/3/21.04.048/2020-21 DATED AUGUST 06 2020 AND RBI/2021-22/31/DOR.STR.REC .11/21.04.048/2021-22 DATED MAY 05 2021 IS AS BELOW:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March- 2025 (A)	Of (A), aggregate debt that slipped into NPA during the Half Year	Of (A) amount written off during the Half Year**	Of (A) amount paid by the borrowers during the Half Year***	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30 2025**
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	32.43	-	-	1.69	30.74
Total	**32.43**	**-**	**-**	**1.69**	**30.74**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

***represents debt that had slipped into stage 3 and was subsequently written off during the half-year ended September 30 2024.*

**** represents receipts net of interest accruals.*

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September-2025 (A)	Of (A), aggregate debt that slipped into NPA during the Half Year	Of (A) amount written off during the Half Year**	Of (A) amount paid by the borrowers during the Half Year***	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31 2026**
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	30.74	-	-	1.74	29.00
Total	**30.74**	**-**	**-**	**1.74**	**29.00**

** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

***represents debt that had slipped into stage 3 and was subsequently written off during the half-year ended March 31 2025.*

**** represents receipts net of interest accruals.*

56 PREVIOUS YEAR FIGURES HAVE BEEN RE-GROUPED/RECLASSIFIED WHERE NECESSARY TO CONFORM TO THE CURRENT YEAR'S CLASSIFICATION.

a) Operation Incentive of ₹27.13 Lakhs, previously classified under 'Staff welfare expenses', has been reclassified under 'Salaries, allowance and bonus'.

57 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

Particulars	As at March 31 2025	Cash Flow (Net)	Exchange Difference	Others*	As at March 31 2026
Debt Securities	9,988.53	12,500.00	-	(44.13)	22,444.40
Borrowings Other than Debt Securities	2,10,629.00	(14,467.13)	1,486.60	291.54	1,97,940.01
Total	**2,20,617.53**	**(1,967.13)**	**1,486.60**	**247.41**	**2,20,384.41**

Particulars	As at March 31 2024	Cash Flow (Net)	Exchange Difference	Others*	As at March 31 2025
Debt Securities	-	10,000.00	-	(11.47)	9,988.53
Borrowings Other than Debt Securities	1,43,651.13	67,703.42	(414.12)	(311.43)	2,10,629.00
Total	**1,43,651.13**	**77,703.42**	**(414.12)**	**(322.90)**	**2,20,617.53**

**Others includes effective interest adjustment and interest accrued.*

Notes to the Financial Statements for the Year Ended March 31 2026 (Contd.)

(Amounts in ₹ Lakhs, unless otherwise stated)

58 STATUTORY RESERVE

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. The Company has transferred twenty per cent of its net profit in special reserve.

59 APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31 2026 were approved by the Board of Directors and authorized for issue on May 06 2026.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No. 105146W/W100621

Vinit Jain
Partner
Membership No: 145911
Place: Mumbai
Date: May 06 2026

For and on behalf of the Board of Directors of
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED
CIN: U65999MH2017PTC291060

Harsh S. Hiranandani
Director
DIN: 07661253
Place: Mumbai
Date: May 06 2026

Neha S. Hiranandani
Director
DIN: 01954865
Place: London
Date: May 06 2026

Uday Suvarna
Chief Executive Officer

Place: Mumbai
Date: May 06 2026

Rajesh Rajak
Chief Financial Officer

Place: Mumbai
Date: May 06 2026

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M.No. A49602
Place: Mumbai
Date: May 06 2026

Notice of the Ninth Annual General Meeting

Notice is hereby given that the **Ninth Annual General Meeting ("AGM")** of the members of **Hiranandani Financial Services Private Limited ("Company")** will be held on **Wednesday, August 05 2026 at 5:30 p.m. (IST)** at the deemed venue at Corporate Office of the Company situated at 9th Floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai - 400076 to transact the following business, through Video Conferencing/ Other Audio Visual Means, in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India:

ORDINARY BUSINESS:

Agenda Item 1:

To consider and adopt Audited Financial Statements of the Company for the financial year ended March 31 2026, together with the Reports of the Board of Directors and the Auditors thereon and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, and the rules made thereunder *(including any statutory modification(s) or re-enactment thereof for the time being in force)*, the Audited Financial Statements of the Company for the financial year ended March 31 2026, comprising of the Balance Sheet as at March 31 2026, the Statement of Profit and Loss and the Statement of Cash Flows, together with the notes forming part thereof, and the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

RESOLVED FURTHER THAT the copies of the foregoing resolution, certified to be true by any one of the Director or the Chief Financial Officer or the Company Secretary of the Company, may be furnished to any relevant person(s)/authority(ies) as and when required."

By Order of the Board of Directors
For **Hiranandani Financial Services Private Limited**

Balan Santosh Parthasarathy
Company Secretary & Compliance Officer
M. No. A49602

Date: May 06 2026
Place: Mumbai

Corporate Office: 9th Floor, Sigma, Hiranandani Business Park, Technology Street, Powai, Mumbai – 400076

NOTES:

1. The Ministry of Corporate Affairs **('MCA')** has vide its General Circular Nos. 14/2020 dated April 08 2020, 17/2020 dated April 13 2020, 20/2020 dated May 05 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 08 2021, 21/2021 dated December 14 2021, 2/2022 dated May 05 2022, 10/2022 dated December 28 2022, 09/2023 dated September 25 2023, 09/2024 dated September 19 2025, 03/2025 dated September 22 2025 ('MCA Circulars'), and other circulars issued from time to time (collectively referred to as **'MCA Circulars'**) permitted the holding of the Annual General Meeting **('AGM')** through Video Conferencing ('VC') facility/Other Audio Visual Means **('OAVM')**, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 **('the Act')**, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')** and the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Corporate Office of the Company.

2. In compliance with the statutory guidelines, the Notice along with the Annual Report 2025-26 is being sent only through electronic mode pursuant to Section 20(2) of the Companies Act, 2013 read with rule 35 of the Companies (Incorporation) Rules, 2014, as amended, to those Members whose email addresses are registered with the Company/Depository participant/Depositories. Members may please note that the Notice and Annual Report 2025-26 will also be available on the Company's website: https://hfs.in/ and the websites of the BSE Limited at .bseindia.com.

3. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM. Hence, Proxy Form and Attendance Slip are not annexed hereto.

4. Corporate members are requested to send at secretarial@hfs.in before attending AGM, a duly certified copy of the board resolution authorizing their representative to attend and vote at AGM pursuant to Section 113 of the Companies Act, 2013.

5. As the AGM will be held through VC/OAVM, the Members are requested to dial-in to the link provided below, to join the AGM. We look forward to your participation.

   Link: https://us06web.zoom.us/j/81715702090?pwd=Y4WTJ3a1jIM9XXZdlDIUtsERhkjUl4.1

   Meeting ID: 817 1570 2090

   Passcode: 616799

6. The facility for joining the AGM shall be kept open 15 minutes before the time scheduled to start the AGM and shall not be closed till the expiry of 15 minutes after the scheduled time of the AGM.

7. In case of any assistance with regards to using the technology before or during the AGM, please contact on the Helpline number: +91 8433663869

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

9. The relevant documents as referred to in the Notice convening the AGM and the statutory registers of the Company are available for inspection by the Members at the Corporate Office of the Company during business hours on all working days, except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00 p.m. and remotely up to the conclusion of the AGM.

10. Members are requested to kindly notify the Company of any changes in their addresses/email address so as to enable the Company to address future communication to their correct addresses.

11. Members desiring inspection of the said documents and the statutory registers of the Company, are requested to contact Mr. Balan Santosh Parthasarathy, Company Secretary and Compliance Officer of the Company at secretarial@hfs.in. In case of any doubts or clarification, Members may contact Mr. Balan Santosh Parthasarathy, Company Secretary of the Company at secretarial@hfs.in.

12. Members may raise questions during the meeting or in advance by sending across their question to secretarial@hfs.in.

13. Since the AGM will be held through VC/OAVM, the road map to the deemed venue is not annexed to this Notice.

NOTES

NOTES

Hiranandani Financial Services

Registered Office
4th Floor, Scorpio House, Central Avenue,
Hiranandani Business Park, Powai, Mumbai – 400 076

Corporate Office
9th Floor, Sigma Building, Hiranandani Business Park,
Technology Street, Powai, Mumbai – 400 076

Email: secretarial@hfs.in Phone: +91 8433663869
Website: www.hfs.in