AYE [आय]



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BUILT FOR
India's MICRO MSMEs.

DESIGNED FOR SCALE.

Annual Report 2025-26

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For more investor-related information, please visit https://ayefin.com

Disclaimer

This document contains statements about expected future events and financials of Aye Finance Limited ('Aye Finance'), 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 this Annual Report.

Built For India's Micro MSMEs.
DESIGNED FOR SCALE.

Aye Finance was built on a simple, yet powerful belief, to bridge the credit gap for India's under-served micro-enterprise segment. By providing tailored working capital loans and purpose-built financial solutions to small manufacturers, traders and service providers, we enable these businesses to access formal credit and grow sustainably. This focussed approach has established Aye Finance as a leading lender in the under-penetrated MSME market.

Aye Finance has built for scale through its proprietary, technology-led, cluster-based underwriting and AI-powered risk models.

Our phygital operating model combines local branch networks with digital lending capabilities to efficiently serve the micro-enterprises. A cloud-first platform automates loan origination, robust credit assessment, disbursement, and collections, enabling faster decisions and scalable operations.

Going forward, Aye Finance will continue to strengthen its core fundamentals by expanding its geographic footprint, enhancing AI-driven underwriting, and leveraging data-led decision-making frameworks for faster credit assessment. This technology-led approach supports efficient scaling, while maintaining strong portfolio quality, operational efficiency, and sustainable, responsible growth.

We will continue to reinforce our position as the preferred platform for bridging the credit gap faced by India's micro-enterprises, while driving sustainable and responsible growth. By leveraging technology and data, we will continue scaling our reach, empowering more micro-enterprises, and building a strong, resilient, and scalable business.

FINANCIAL HIGHLIGHTS FY 2025-26

₹ 7,044 Crores
AUM

₹ 1,797 Crores
Total Income

~6.4 Lakhs
Active Clients

₹ 194 Crores
PAT



AYE FINANCE

LISTS ON INDIAN STOCK EXCHANGES

On February 16, 2026, Aye Finance listed on the Indian stock exchanges – a milestone twelve years in the making, and one that belongs to you as much as to us.

Aye Finance was founded to enable the financial inclusion of the underserved segment of 68 million micro-enterprises in India by providing them with customised and economical credit solutions to build their businesses. As shareholders, you are now part of this vision – and together, we will extend economic inclusion to a larger number of micro-enterprises and become their chosen partners for growth.



As a listed company, Aye Finance now carries a dual responsibility: powering the growth of India's micro-enterprises and delivering value to a wider base of shareholders under the oversight of public markets. Our priorities remain unchanged: disciplined growth, strong governance, and continued focus on the borrower segment we were built to serve.

Thank you for your confidence
in Aye Finance.

We look forward to building the next phase of this
journey together.

ABOUT AYE FINANCE

Empowering Aspirations. Enriching Futures.

Aye Finance is a non-banking financial company – middle layer ("NBFC-ML") focussed on providing loans to micro-scale MSMEs across India. Aye offers a range of business loans for working capital and business expansion needs, against hypothecation of working assets or against security of property to customers across manufacturing, trading, service and allied agriculture sectors.

Aye is among the leading non-banking financial companies providing business loans to the largely underserved micro-scale enterprises in India, across 18 states and 3 union territories. It offers small-ticket hypothecation loans (Average ticket ₹ 1.6 Lakhs) as well as mortgage-based loans (Average Ticket ₹ 4.6 Lakhs) for businesses. The Company's expertise in using customised data science approaches in underwriting business cash flows of a variety of business clusters has enabled it to maintain stable credit costs and to profitably scale up its operations.

With a robust branch-led distribution network, complemented by proprietary analytics and technology-driven credit assessment, we combine our deep geographic reach with digital intelligence to deliver timely and accessible financing to over ~6.4 Lakhs active customers from a diversified set of 70+ unique business clusters in Tier 2/3 cities across India.

By serving their needs for working capital through secured and unsecured loans, we foster entrepreneurship, promote financial inclusion, and drive sustainable economic growth across India.

We are backed by a distinguished group of global investors including Elevation Capital, ABC Imact (Temasek Trust Asset Management), Google Capital, A91 Investments, British International Investment, Lightrock, Alpha Wave Global and Waterfield Alternate Investment Fund. Our 100% in-house origination model ensures better and industry-specific underwriting for the underserved MSMEs and deeper customer insights. By deepening our reach, leveraging technology, portfolio diversification, and repeat customer relationships, we will continue to build a resilient lending franchise, while balancing growth with discipline.



OUR VALUE SYSTEM

VISION

To be a leading finance company in India, admired by Customers, Employees, Investors and Regulators for its Service and Innovations.

MISSION

To provide innovative and customer-centred financial services to micro businesses through knowledgeable team, effective technology and robust processes to power their growth into the new-age India.

VALUES

Our corporate values drive every decision we make, shaping how we work, collaborate, and create lasting value for our stakeholders.

Innovation
Be Curious. Explore. Pioneer.

Trustworthiness
Be fair. Keep promises. Be genuine.

Social Impact
Make a difference. Give back. Touch lives.

Being the Best
Learn. Mentor. Onwards together.

Customer Commitment
Think customer. Be proactive. Exceed expectations.

THE WORLD OF AYE FINANCE

1.2 Million
Customers since inception

₹ 181.5 Billion
Disbursement since inception

₹ 7,044 Crores
AUM

571
Branches in 18 States and 3 Union Territories

10,800+
Employees

A+ Stable
Credit Rating by India Ratings and Research

Ranked 3rd
India's Best Places to Work by GPTW

SUPPORTING MICRO-SCALE MSMEs ACROSS 70+ DIVERSE BUSINESS CLUSTERS

Horizontal Clusters

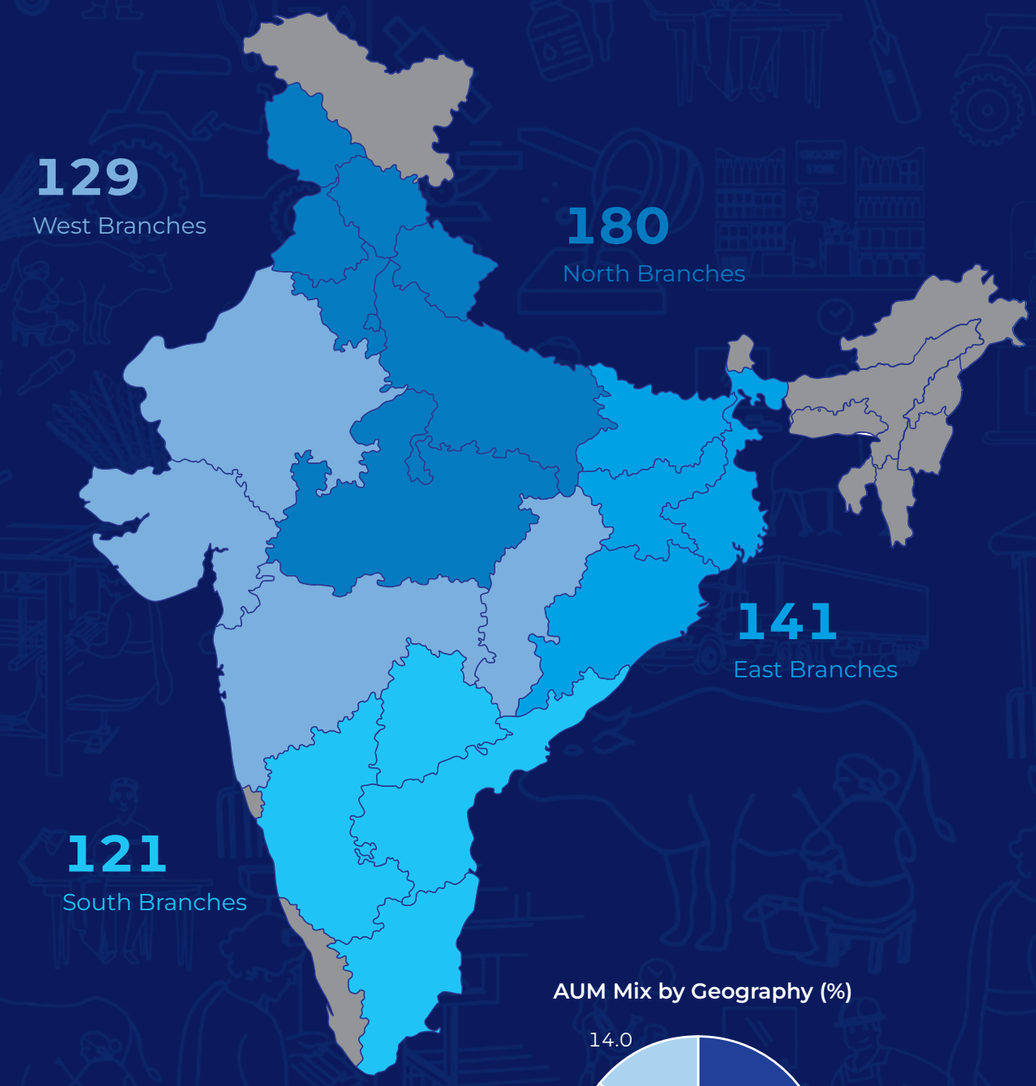
- GROCERY SHOP
- TAILOR
- SALON
- EATERY
- DAIRY

Vertical Clusters

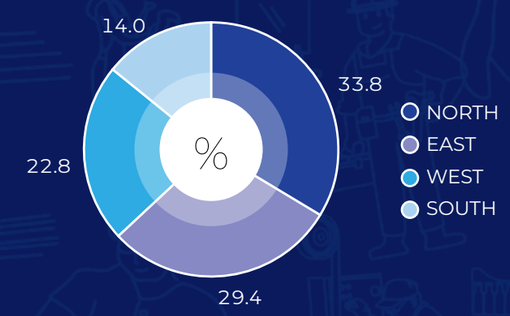
- SHOES
- BRASS WORK
- GLASSWORK
- WOODWORK
- LEATHER GOODS
- IRON WORKS
- CROCKERY
- JEWELLERY
- POWER LOOM
- HANDICRAFTS
- LAC BANGLES
- ELECTRONIC
- ELECTRICAL
- AGRI TOOLS
- HOSIERY
- SPORTS GOODS
- RUGS & CARPETS
- DECORATIVE ITEMS
- GARMENT
- AUTO PARTS

AN EXPANSIVE PAN-INDIA REACH

Branch Network - 571 Branches in 18 States and 3 UTs



AUM Mix by Geography (%)

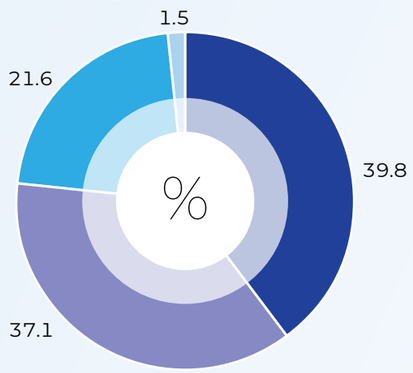


Map not to scale. For illustrative purposes only.

OUR COMPREHENSIVE PRODUCT OFFERINGS

We address the diverse financing needs of micro-enterprises through our timely, purpose-built credit solutions that support business resilience and long-term growth. Our portfolio of secured and unsecured loan products is designed to meet a wide range of business requirements – from managing working capital and strengthening cash flows to funding expansion and asset creation. By making formal credit more accessible, we empower entrepreneurs to build sustainable businesses and unlock new opportunities for growth.

AUM Mix by Product



OUR PURPOSE-BUILT LENDING SOLUTIONS

‘Saral’ Property Loans

‘Saral’ Property Loans are designed for customers who may not have fully compliant property documentation but are willing to pledge their assets. The loan is secured through a combination of property collateral and hypothecation of business assets, enabling access to formal credit despite documentation constraints.

Shakti Loans

Shakti Loans focus on addressing the credit gap faced by women-led micro-enterprises. Tailored for sectors such as services and job work, this product provides timely and need-based financing, supporting women entrepreneurs in strengthening and expanding their businesses.

SwitchPe

SwitchPe is a dedicated supply chain finance platform that enables micro and small businesses to seamless access unsecured credit lines through a simple digital interface. It allows users to browse products, place orders and manage payments and access flexible repayment options, supported by features such as paperless onboarding and incentives for timely repayments.

Hypothecation Loans

Our hypothecation loans are designed to meet short-term business requirements such as inventory purchase, wage payments and operational expenses. These loans are secured against movable business assets, allowing customers to access capital while continuing to use their assets productively. We also offer unsecured variants based on business assessment and repayment capacity, enabling access to credit for enterprises with limited formal collateral.

Mortgage Loans

Our mortgage loans are secured against immovable property and provide access to higher ticket sizes with longer repayment tenures. These loans are suited for expansion, asset acquisition, refinancing and other growth-oriented requirements, helping businesses scale in a structured manner.



JOURNEY

Scaling Responsibily

FY2016
Started in North



5 # States Added

5 Total States

16 Branches

40 AUM (₹ Crores)

FY2018
+South



5 # States Added

10 Total States

72 Branches

470 AUM (₹ Crores)

FY2020
+West & East



8 # States Added

18 Total States

172 Branches

1,784 AUM (₹ Crores)

FY2022
PAN India



2 # States Added

20 Total States

311 Branches

1,728 AUM (₹ Crores)

FY2023
PAN India



1 # State Added

21 Total States

398 Branches

2,721 AUM (₹ Crores)

FY2024
PAN India



0 # States Added

21 Total States

478 Branches

4,463 AUM (₹ Crores)

FY2025
PAN India



0 # States Added

21 Total States

526 Branches

5,534 AUM (₹ Crores)

FY2026
PAN India



571 Branches

21 Total States

7,044 AUM (₹ Crores)

Key Investors added

FY2016
- Elevation Capital
- Accion Africa-Asia Investment Company

FY2018
- LGT Capital Invest Mauritius PCC

FY2020
- Google Capital Alpha Wave India I LP
- Maj Invest Inclusion Fund

FY2022
- A91 Emerging Fund I LLP

FY2024
- British International Investment PLC
- Waterfield Alternative Investments Fund

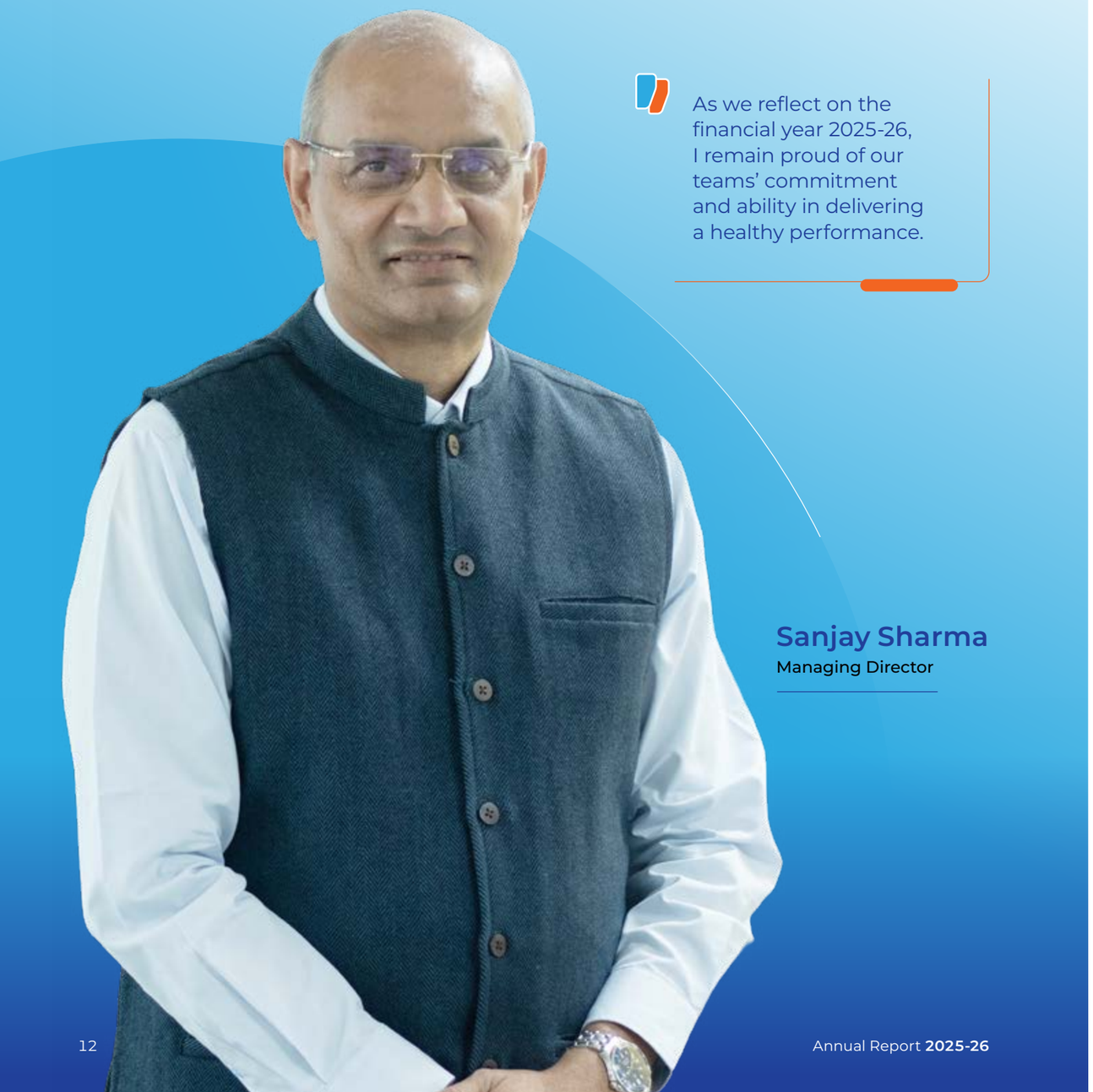
FY2025
- Temasek Trust Asset Management

FY2026
- Initial Public Offering

Map not to scale. For illustrative purposes only.

MD'S MESSAGE TO SHAREHOLDERS

Managing Director's Statement



> As we reflect on the financial year 2025-26, I remain proud of our teams' commitment and ability in delivering a healthy performance.

Sanjay Sharma
Managing Director

Dear Shareholders,

The year 2025-26 marked a defining milestone with the successful completion of our ₹ 1,010 Crores IPO in February 2026. This significantly builds the resources available to the Aye Finance team to deliver on its powerful mission – to bridge the credit gap for micro-entrepreneurs in India by expanding access to formal credit.

We are grateful for this confidence placed in our purpose, business model, and long-term growth potential by our growing shareholders, customers, and employees. The IPO provides a robust foundation for growth by strengthening our balance sheet, increasing net worth to ₹ 2,533 Crores, and enhancing Capital Adequacy Ratio to 42.2% as on March 31, 2026. We promise to address the credit needs of India's underserved micro-enterprise ecosystem with the discipline, innovation, and customer-centricity that has guided us since our inception.

Despite the geopolitical uncertainties of 2025-26, India's economy remained resilient, fuelled by solid domestic demand and active regulatory reform. The MSME sector showed steady recovery across the year, while facing challenges like liquidity issues and raised credit costs. This adversity once again underscored the sector's resilience and how it has remained the cornerstone for employment and entrepreneurial development. Our business is well positioned to benefit from the opportunity of serving this unaddressed market segment.

OUR ROBUST PERFORMANCE – A TALE OF TWO PARTS

As we reflect on the financial year 2025-26, I remain proud of our teams' commitment and ability in delivering a healthy performance. The year can be seen as two halves. In the first half, we cleaned our books with prudent credit cost recognition, this lowered our profitability, as we emerged from the industry-wide stress from over lending. In the second half, the business normalised rapidly, collection efficiencies rose, credit costs declined and good business growth with higher profitability ensued.

For FY2026, Assets Under Management (AUM) increased 27% YoY to ₹ 7,044 Crores, Total Income was up 20% at ₹ 1,797 Crores, PAT grew 13% at ₹ 194 Crores. We have invested in the past 2 years to build the proportion of property-backed loans in our portfolio. The ratio of property-backed loans in our book has increased from 14.7% to 21.6% during the year. The net interest margin of 14.67% has reduced by 70 bps from last year due primarily to this movement of product mix. The mix driven drop in the interest margin is expected to be made up in reduced operating costs in the next 2-3 years, as the mortgage business scales.

> The IPO provides a robust foundation for growth by strengthening our balance sheet, increasing net worth to ₹ 2,533 Crores, and enhancing Capital Adequacy Ratio to 42.2% as on March 31, 2026.

Our Gross NPA saw the full impact of the market stress in first half of 2025-26 rising to 4.9% and then has dropped to 4.77% as on March 2026. The credit costs averaged 4.7% for the year. The credit costs have declined consistently in every quarter in this FY, ending with 4.3% for Q4. This is the outcome of our disciplined credit approach, tighter underwriting, and enhanced collection capabilities. PAR X improved to 6.9% by March 31, 2026, as compared to 7.1% a year ago. Non-OD Collection Efficiency reached 99.4% in March 2026, the highest level during the year, reflecting strong repayment behaviour and effective collections.

The net outcome of the robust performance in the latter half of the year has seen the Return on Assets (RoA) improve to 4.6% in Q4, while Return on Equity (RoE) was 16.0% for the same quarter. This places the next financial year at an advantageous starting trajectory.

As a lender purpose-built for the segment, our performance in FY2026 reaffirms the strength of our strategy and underwriting frameworks, deeper integration of data and technology into credit assessment, and the enduring relevance of our mission.

OUR DIFFERENTIATED BUSINESS MODEL

Our competitive strength is a lending model specifically designed for India's underserved micro-enterprise ecosystem. At the heart of our model is our proprietary cluster-based underwriting methodology, a branch-led 'phygital' operating model, deep understanding of local business ecosystems with structured credit assessment. A diversified portfolio and funding profile, an evolving product mix, repeat customers, and disciplined risk management steer us to scale efficiently.

Technology remains a strategic enabler of this operating model, with improved operational efficiency, strengthened governance, and scalable growth. Artificial Intelligence, machine learning and data science are embedded across credit underwriting, fraud detection, portfolio monitoring, behavioural analytics, collections and repeat lending. During the year, we enhanced the deployment of a modernised Collections Management System, implemented ERP solutions, and expanded our capabilities in intelligent automation, further strengthening execution across the lending lifecycle, while enhancing agility and process efficiency.

OUR ENGAGED AND EMPOWERED TEAM

We continue to take pride in the ability and commitment of our team to carry forward the vision to build a differentiated industry category in lending to businesses. Last year we opened 44 new branches and increased our employee base by 2026. At the same time, we saw the voluntary attrition come down 29%, which is the lowest in the last 3 years. Our people remain the foundation of our robust, long-term growth. We are building leadership, strengthening talent, and fostering a high-performance culture.

There is great focus on building a positive corporate culture that is driven by our values. This approach has helped build a highly disciplined and engaged team, that keeps effective control over our operating risks. We were ranked 3rd among India's Best Companies to Work For by GPTW, and we have consistently featured among India's top 10 workplaces in India for the past 5 years. These rankings are backed by our poll ratings from our entire employee base.

> We continue to take pride in the ability and commitment of our team to carry forward the vision to build a differentiated industry category in lending to businesses. Last year, we opened 44 new branches and increased our employee base by 2026.

> We expect robust market demand that will help us sustain 28-33% growth over the next three years and reach an AUM of ₹ 14,000-15,000 Crores. Growth will be supported by digital automation, a higher share of mortgage loans, deeper AI/ML-led underwriting and improving operating efficiency through branch maturity.

OUR GROWTH VISION

Today, we are the market leaders in lending to micro scale businesses. Our unmatched position and differentiated model has been honed over the last 12 years. We have built more than a lending business – it is a platform designed to grow with India's micro-entrepreneurs – beginning with a working capital loan, and supporting customers through their business evolution. Indian MSME landscape is ready for greater formalisation, rising digital adoption and growing aspirations. We are in a good space to benefit from this transformation.

It is estimated that less than 3% of the demand of micro scale businesses has been met so far. We hence expect robust market demand that will help us sustain 28-33% growth over the next three years and reach an AUM of ₹ 14,000-15,000 Crores. Growth will be supported by digital automation, a higher share of mortgage loans, deeper AI/ML-led underwriting and improving operating efficiency through branch maturity.

We will continue to embed strong governance, responsible lending and effective risk management across our operations, and are committed to responsible growth by integrating ESG principles into our business practices

We will strengthen our position as the preferred financial partner for India's micro-enterprises and offer a comprehensive product suite that better serves the evolving needs of our core customers. A high-performing team with a strong execution mindset, granular execution through collections, repeat business, automation, and cost efficiency are our key drivers to deliver sustainable, long-term growth.

Thank You,

SHAREHOLDERS

I also take this opportunity to thank our customers, investors, lending partners, and the regulatory bodies for their continued trust and unflinching support. Together, we remain committed to empowering India's micro-entrepreneurs while building a stronger and more resilient lending institution.

Warm Regards,

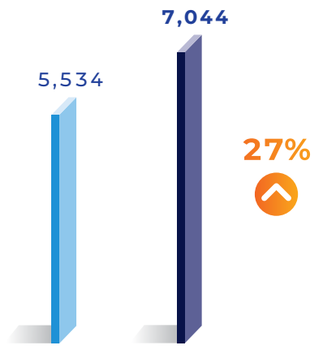
Sanjay Sharma
Founder, Managing Director
Aye Finance Limited

BUSINESS PERFORMANCE

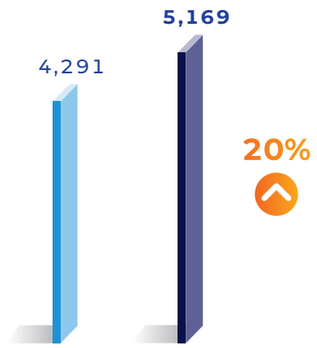
Resilience at Core. Performance at Scale.

FY2026 reaffirmed the enduring strength and resilience of our business model, combining healthy growth with disciplined execution and a continued commitment to superior asset quality and prudent risk management.

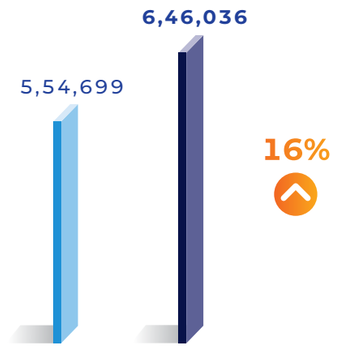
Assets Under Management
(₹ Crores)



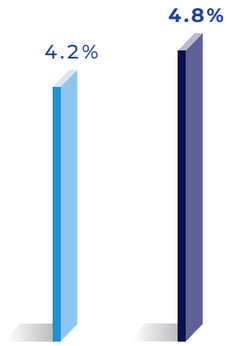
Disbursements
(₹ Crores)



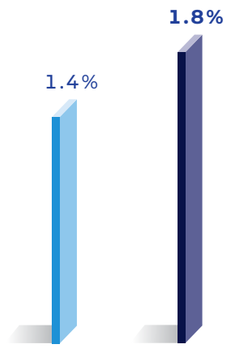
Active Clients



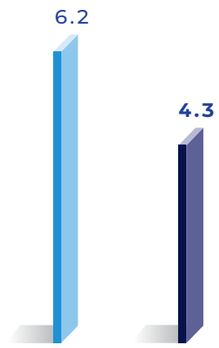
Gross Non-Performing Assets
(%)



Net Non-Performing Assets
(%)

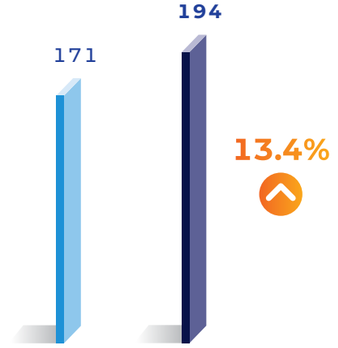


Credit Cost
(%)

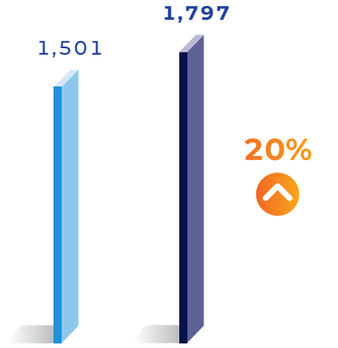


BPPS
186

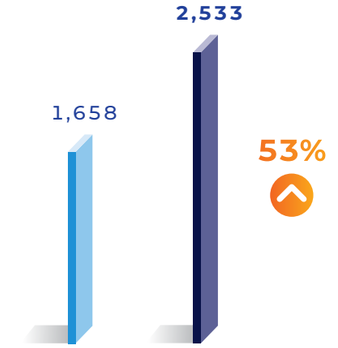
Profit After Tax
(₹ Crores)



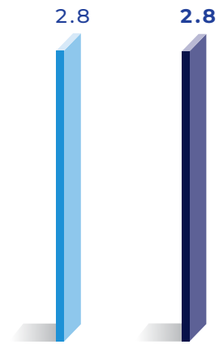
Gross Total Income
(₹ Crores)



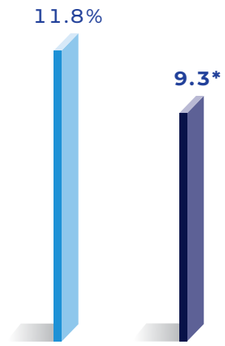
Net Worth
(₹ Crores)



Return on Assets
(%)

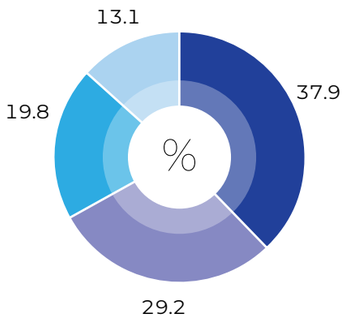


Return on Equity Assets
(%)



*ROE post infusion of ₹ 710 Crores of equity in February 2026

Borrowing Mix - Instrument Type
(%)



AYE [आय]

OPPORTUNITIES

Tapping the under-penetrated opportunity in MSME Lending



India's micro MSME segment represents a significant growth opportunity driven by a large base of entrepreneurs, increasing formalisation of the economy, and a growing need for access to structured credit. With a scalable phygital model, geographic presence, and an ability to serve the segment responsibly, Aye Finance has emerged as a long-term financial partner for the micro-enterprises sector in India.

As India advances towards Viksit Bharat 2047, MSMEs are powering India's growth story, and the sector continues to play a pivotal role in driving employment, entrepreneurship and sustainable economic development. MSMEs are engines of employment, innovation and inclusive growth, creating opportunities across rural and urban India alike. As key drivers of economic growth, MSMEs play a critical role in building resilient and inclusive economies.

IMPACT OF MSMEs ON INDIA'S ECONOMY

31.1%	₹ 38.9 Crores	35.4%
Share in India's GDP	Employment generated	Share in manufacturing output

Being the 2nd largest employer in India, after Agriculture

Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2278107&reg=48&lang=1

AYE FINANCE

ENSURING DEEPER CREDIT PENETRATION TO MICRO BUSINESSES

At Aye Finance, we are uniquely positioned to address this opportunity through our deep understanding of micro-enterprises, technology-enabled underwriting capabilities, and an extensive on-ground presence. Our cash flow-based lending approach enables us to assess businesses beyond the traditional parameters and provide timely, customised credit solutions to entrepreneurs who are often excluded from formal finance.

Business loans provided to micro-scale businesses

Hypothecation Loans
These are working capital loans given against hypothecation of working assets and machinery.

Mortgage Loans
These are Micro LAP loans offered mostly against self-owned residence or commercial properties.

SERVING THE BOTTOM OF THE PYRAMID

We have served nearly 1.2 million customers since our inception. Today, we have an active customer count of 6.4 Lakhs, with an average ticket size of ₹ 1.8 Lakhs. These are MSMEs operating in the informal sector with limited financial documentation. A diversified geographic presence, scalable phygital model, and strong customer insights, makes us strategically positioned to cater to the bottom of the pyramid, and we aim to capture the significant growth opportunity in India's micro-MSME financing ecosystem.

By combining technology-led underwriting, advanced data science, and deep cluster-level insights, we assess the business potential of micro-enterprises beyond traditional parameters. With only 3% of the addressable borrower segment and 25-30% of the industrial segments penetrated, we are well-positioned to capture the substantial potential for continued growth.

Aye Finance – Scoring an edge over NBFCs

- Most NBFCs offer loans to a mix of wage earners and self-employed, blue-collared individuals and business owners on the back of a collateral. As against this, Aye Finance maintains a sharp focus on micro-enterprises in the manufacturing, trading, service or dairy sectors. Self-employed and wage earners are served under business lending
- Unlike traditional NBFCs that typically rely on conventional lending frameworks, we have built a purpose-designed model that combines granular customer understanding, technology-enabled underwriting, and a strong physical presence
- Our high-tech, high-touch phygital model enables us reach customers beyond the boundaries of the formal credit ecosystems, assess businesses through cash-flow-based lending, and build trusted relationships with entrepreneurs. This approach allows for superior customer engagement, better sourcing quality, and stronger portfolio outcomes

COMPETITIVE ADVANTAGES

Enduring Strengths of our Resilient Business Model

At Aye Finance, we combine the agility of a fintech with the trust of a traditional lender, creating a differentiated, scalable, innovative, technology-enabled and risk-disciplined lending model built for resilience, and fortified to deliver scalable and responsible growth. Given our deep customer understanding, prudent underwriting, diversified expansion and strong governance, our business model enables us to bridge the gap between technology-led efficiency and relationship-driven lending in the MSME financing ecosystem.

The mission of Aye Finance is to empower India's underserved micro-enterprises in the informal sector in Tier 2/3 towns by enabling them with innovative, customer-centric financial services for income generation purposes. These micro-enterprises are engaged in Manufacturing, Trading, Service or Dairy sector. Many have limited financial records, and are yet to fully adopt digital lending journeys.

Our competitive market advantage is anchored in a resilient and well-balanced business model that combines deep market expertise with disciplined execution. Over the years, we have built a diversified franchise supported by a broad geographic presence, robust underwriting capabilities, a well-diversified lender base and industry-leading collection efficiency.

Our key strengths collectively create a scalable platform that enables us to manage risks effectively, deliver consistent portfolio performance, and capitalise on the significant growth opportunity in the underserved micro enterprise segment.

TARGETING MICRO SCALE MSMEs

- Understanding of over 70 business clusters
- Manufacturing, Trading, Service and Allied Agriculture sectors
- Permanent business set up for more than 2 years
- **₹ 2 Million - ₹ 10 Million** Average customer turnover
- Predominantly located in Tier 2/3 cities
- 95+% of customers have their own residence or place of business (or both)

OUR COMPETITIVE ADVANTAGES

GEOGRAPHIC DIVERSIFICATION

Our diversified presence across 18 states and 3 union territories through 570+ branches across 70 business clusters strengthen our portfolio resilience by mitigating geographic concentration risk and limiting the impact of localised economic disruption Our broad regional footprint also enables us to replicate successful underwriting models across multiple MSME clusters, while expanding access to a significantly larger underserved borrower base.

No single state accounts for more than 17% of AUM

Top 5 states collectively contribute only 57% of Total AUM



Map not to scale. For illustrative purposes only.

INNOVATIVE CLUSTER-BASED UNDERWRITING

We have developed a proprietary cluster-based underwriting methodology that can estimate the cash flow of a business with thin or no credit history. We make use of alternative approaches to assess our customers' creditworthiness. Rather than relying solely on formal documentation, we evaluate the overall health of a business by analysing the business turnover and cashflows, operating performance, and industry dynamics. These insights are further strengthened through advanced technologies, data science driven models, and on-ground field verification, enabling more accurate and informed credit assessment.

Our Presence Across Clusters

HORIZONTAL CLUSTERS	VERTICAL CLUSTERS			
Grocery Shop	Dry Cleaning	Men's Shoes	Glasswork	Woodwork
Tailoring	Leather Goods	Iron Works	Pottery	Silver Ware
Salon	Sports Goods	Handicrafts	Lac Bangles	Power Loom
Eatery	Scientific Instruments	Agri Tools	Hosiery	Pin Manufacturing
Beauty Parlour	Rugs & Carpets	Women's Shoes	Garment	... and more

TECHNOLOGY – OUR KEY ENABLER

As Aye Finance continues to scale, technology plays a critical role in driving cost efficiencies, strengthening process controls, and enhancing compliance. Accordingly, we continue to evaluate and upgrade our technology platforms to ensure they remain aligned with our growth ambitions, while supporting operational efficiency and cost optimisation.

Powering the entire value chain with Technology

Distribution and Sourcing

Own field teams source directly (no DSAs or connectors), supported by data-science lead generation, digital KYC, geo-tagged field assessment and a paperless, cashless process, maintaining control over KYC quality.

Underwriting

- Proprietary models screen applicants against bureau and cluster data, score credit risk and price repeat offers
- Using GenAI and multimodal models to estimate sales of a business from images and operational attributes

Collections

- Our inhouse models predict who is likely to miss a payment, who will self-cure if they do, and how best to engage with each customer
- ~96% of EMIs run on auto-debit mandates and most bounced payments are recovered digitally
- Hosted largely on our own cloud keeps IT costs tightly controlled, and cost-to-serve declines as we scale higher

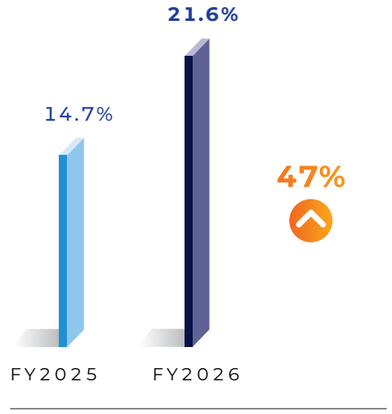




EVOLVING OUR PRODUCT MIX

Hypothecation-based lending provides us with a strong competitive advantage. As hypothecated assets offer an additional layer of risk mitigation, it helps understand the customers business better, strengthens credit assessment, and creates stronger alignment between the borrower's business performance and repayment capacity. However, we have strategically evolved our product mix in the past two years to achieve a well-balanced portfolio of Mortgage and Hypothecation Loans. As we increase Mortgage Loans, we are also increasing the average tenure of our portfolio to prevent this segment from impacting profitability.

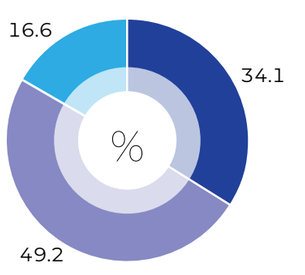
ML Contribution in total portfolio



A DIVERSIFIED LENDER BASE

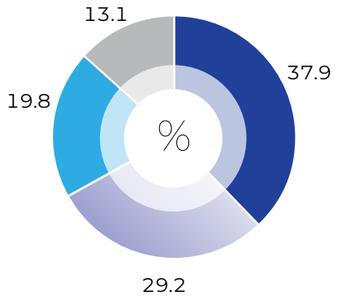
Over the years, we have prioritised borrowing from a diversified set of lenders instead of relying excessively on bank borrowing. We secure funds through external commercial borrowings from development financial institutions (DFIs), and through securitisation and pass-through certificates. This ensures there is no shortage of liquidity even in a challenging macro-economic environment. In addition to this, our credit rating upgrade makes us eligible for financing from a wide range of lenders, and is also expected to result in favourable borrowing terms.

Our Diversified Lender Mix



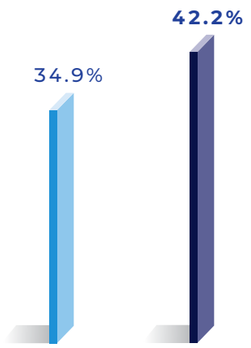
- Banks
- Financial Institutions
- Development Financial Institutions

Borrowing Mix – Instrument Type



- Term Loan
- NCDs
- Securitisation
- ECBs

Capital Adequacy Ratio (%)



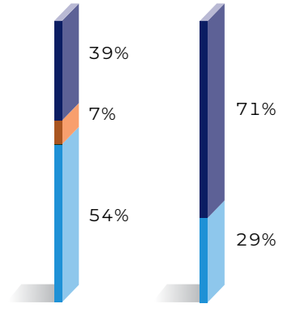


A PHYGITAL MODEL

Our resilient business model is underpinned by a differentiated "phygital model" that seamlessly integrates our digital capabilities with a strong on-ground presence through branch-based origination and loan collection. An increased branch presence enables deeper customer engagement by strengthening sourcing quality, business assessment, relationship management, collections, and service delivery. Our approach enables us to build meaningful relationships with the underserved micro-enterprises, while maintaining efficiency, scalability, and portfolio discipline. It also helps in making informed credit decisions, strengthening customer trust, and scaling responsibly, while upholding operational excellence and portfolio quality.

Contribution to growth in AUM

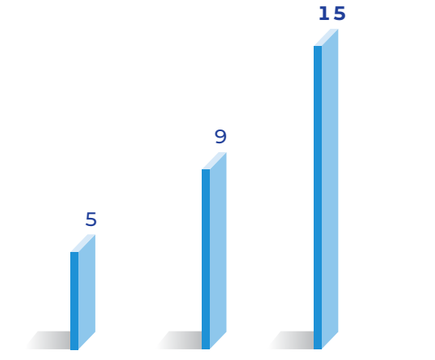
(March 2025 to March 2026)



- Existing Branch
- New Branch
- Repeat

Avg AUM by Branch Vantage – (₹ in Crores)

Driven by deepening branch portfolios

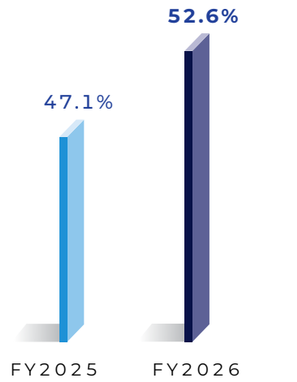


- Avg AUM by Branch Vintage

REPEAT BUSINESS

Repeat lending is a core part of our growth strategy. Our retention rate of 45% implies that nearly half of the eligible customers continue to borrow through subsequent loan cycles. Repeat borrowers account for ₹ 1,726 Crores or 33% of our disbursements in FY2026.

Share of Repeat Customers in AUM of Hypothecation Loans



STRATEGY

From Strategy to Impact

Guided by a clear long-term vision, we are building a scalable and resilient lending franchise by strengthening our core drivers. Our focus remains on deepening presence in the existing markets, enhancing portfolio quality, and improving operational efficiency, while pursuing disciplined, sustainable growth and creating long-term value for the stakeholders.

STRATEGIC OBJECTIVE 1

GROWING AUM PRODUCTIVITY OF EACH BRANCH

We continue to enhance AUM per branch with increased market penetration and improving customer-level economics. With the large unmet credit demand in the micro-enterprise segment, our growing branch network provides a strong platform to scale through existing geographies. We expect a steady improvement in productivity and portfolio quality as the newer branches mature.

Turning our Strategy into Action by

- Ensuring customer retention by upgrading customers to higher value, repeat loans
- Improving per customer contribution by offering higher-ticket secured loans to qualified customers

FUTURE PRIORITIES

Driving higher productivity from existing branches

Increasing operational efficiency

Strengthening customer relationships to support sustainable and capital-efficient AUM growth

STRATEGIC OBJECTIVE 2

INCREASING THE SHARE OF MORTGAGE LOANS

We are strategically increasing the proportion of mortgage-backed lending, reinforcing portfolio quality, improving resilience, extending loan tenure and supporting long-term profitability. Our focussed origination strategy and targeted customer acquisition has resulted in our Mortgage portfolio increasing from 8.33% in March 31, 2022 to 21.6% as of March 31, 2026.

Turning our Strategy into Action by

- Expanding mortgage teams within the existing branch network
- Leveraging cross-selling opportunities from our existing hypothecation loan customer base

FUTURE PRIORITIES

Continuing to expand the share of mortgage portfolio to improve asset mix and profitability

Diversifying tenures to create a stronger and more sustainable loan portfolio

STRATEGIC OBJECTIVE 3

LEVERAGING TECHNOLOGY, DATA SCIENCE AND AI FOR SCALE AND PRODUCTIVITY

Technology remains central across all our operations from underwriting to customer service and collections and helps in improving decision-making, operational efficiency and scalability. We continue to invest in technology, data science and AI to optimise our cost-to-serve, streamline processes, and improve customer experience.

Turning our Strategy into Action by

- Strengthening underwriting models using cluster-based and surrogate data
- Leveraging geo-location analytics to improve monitoring and collections
- Adopting digital-first initiatives to enhance seamless onboarding of customers, servicing and repayments

FUTURE PRIORITIES

Embedding data-led decision-making across the lending lifecycle to enhance risk management

Building a scalable and integrated tech-led architecture to enable growth and innovation in the future

Deploying advanced tools such as image recognition for automated verification of documents

STRATEGIC OBJECTIVE 4

ENHANCING OPERATING LEVERAGE THROUGH EFFICIENCY AND PROCESS OPTIMISATION

We remain focussed on improving our operating leverage by optimising processes, enhancing operational efficiency and employee productivity, and increasing automation across functions. These initiatives are aimed at maintaining a lean cost structure and supporting future growth.

Turning our Strategy into Action by

- Implementing process automation and targeted training to improve the productivity of loan officers and credit team
- Streamlining workflows and reducing manual processes across customer's lifecycle by deploying intelligent automaton tools

FUTURE PRIORITIES

Continuing to invest in performance management systems and building further capabilities

Automating more operational functions for efficient scaling

STRATEGIC OBJECTIVE 5

OPTIMISING BORROWING COSTS AND DIVERSIFYING LENDER BASE

Strengthening our funding ecosystem is our key priority, with a focus on reducing borrowing costs and diversifying funding sources. Through strong lender relationships, prudent asset liability management, and selective co-lending partnerships, we continue to enhance financial flexibility and maintain balance sheet resilience.

Turning our Strategy into Action by

- Leveraging a diversified lender base with over 59+ active relationships across private and public sector banks, external commercial lenders, and investors of non-commercial debentures (NCDs)
- Preserving our funding competitiveness through strong asset quality and a track record of performance

FUTURE PRIORITIES

Further diversifying funding sources to reduce single channel dependency

Strengthening credit profile to access capital at improved terms

Expanding co-lending partnerships to optimise capital efficiency

Increasing long-tenor borrowings to support asset-liability management

TECHNOLOGY

Scaling Smarter with Data and Digital

Technology is a core enabler of our growth strategy, underpinning the way we originate, underwrite and service loans at scale. Our continued investments in digital infrastructure, data science and automation strengthen credit decision-making, enhance operational efficiency and process control, maintain robust risk discipline, optimise costs and deliver a seamless customer experience. As we continue to advance our digital capabilities across operations, product development and customer experience, we are strengthening our ability to expand financial inclusion through intelligent, data-driven solutions that can better serve small businesses across India.

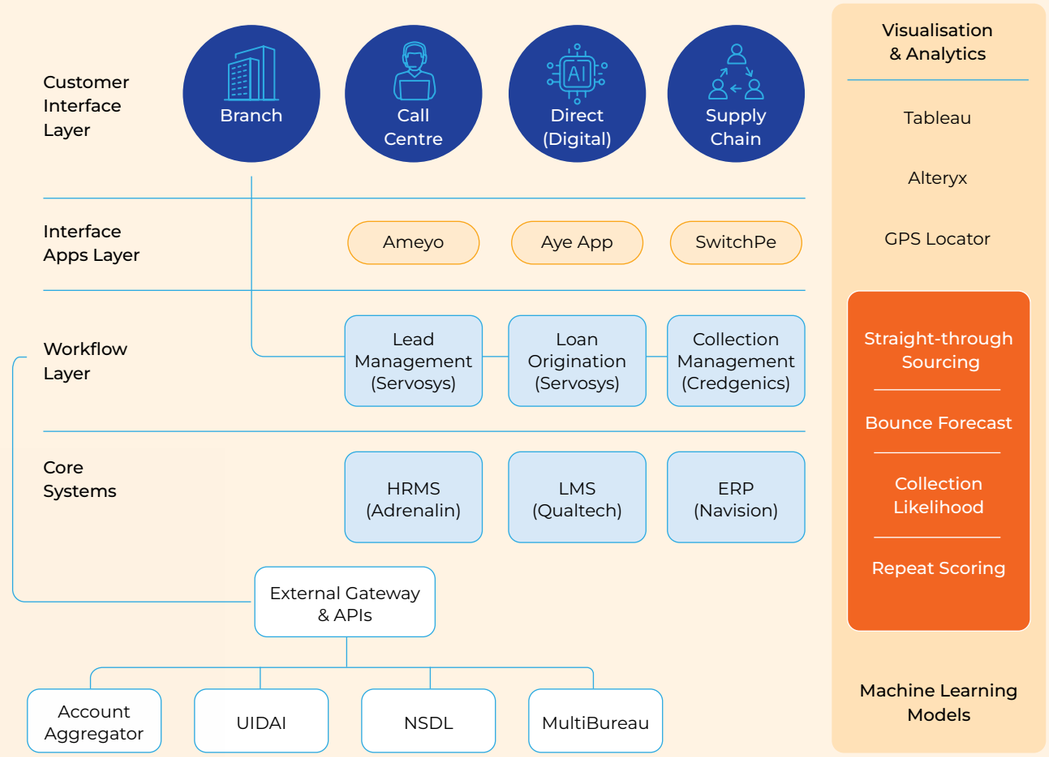
TECHNOLOGY AS OUR GROWTH ENABLER

A scalable, cloud-native and modular technology architecture forms the foundation of our digital operating model, enabling efficient growth while optimising capital deployment. Our integrated core systems, including the LMS, LOS, CMS, HRMS and ERP, ensure seamless data flow and consistency across the organisation. Supported by strong workflow automation and Document Management Systems, our digital infrastructure enhances operational efficiency across mobile and web platforms, and delivers a seamless customer journey from loan origination to repayment.

To be able to meet the evolving demands, we also implemented improved technologies in two of our platforms – Collection Management System and LOS.



OUR TECHNOLOGY STACK



DELIVERING IMPACT THROUGH DIGITAL INNOVATION

Loan Origination

100%
Paperless
Loan Sanctioning

100%
Inhouse

Disbursements

100%
Cashless
Disbursements

100%
Digital Signing of
Loan Disbursements

Field Collections

100%
Inhouse

Optimised by
AI/ML Models

Underwriting

32%
With AI/ML Scores

68%
With Cluster
Methodology

70+
Business Clusters with
AI-driven underwriting

Repayments

95.68%
Customers activated
on NACH

84.04%
Collections through
Digital Modes

HARNESSING AI AND ANALYTICS FOR BETTER CREDIT OUTCOMES

We deploy AI and ML models to support and automate decisions across the entire loan lifecycle (lead-screening - underwriting - repayment management - collections - repeat loans). Our in-house models are deployed to enhance underwriting precision and speed, strengthen risk evaluation, enable risk-based pricing, reduce EMI bounce through targeted communications, support repeat lending decisions, and optimise collection efforts (including digital collections).

For New Applicants

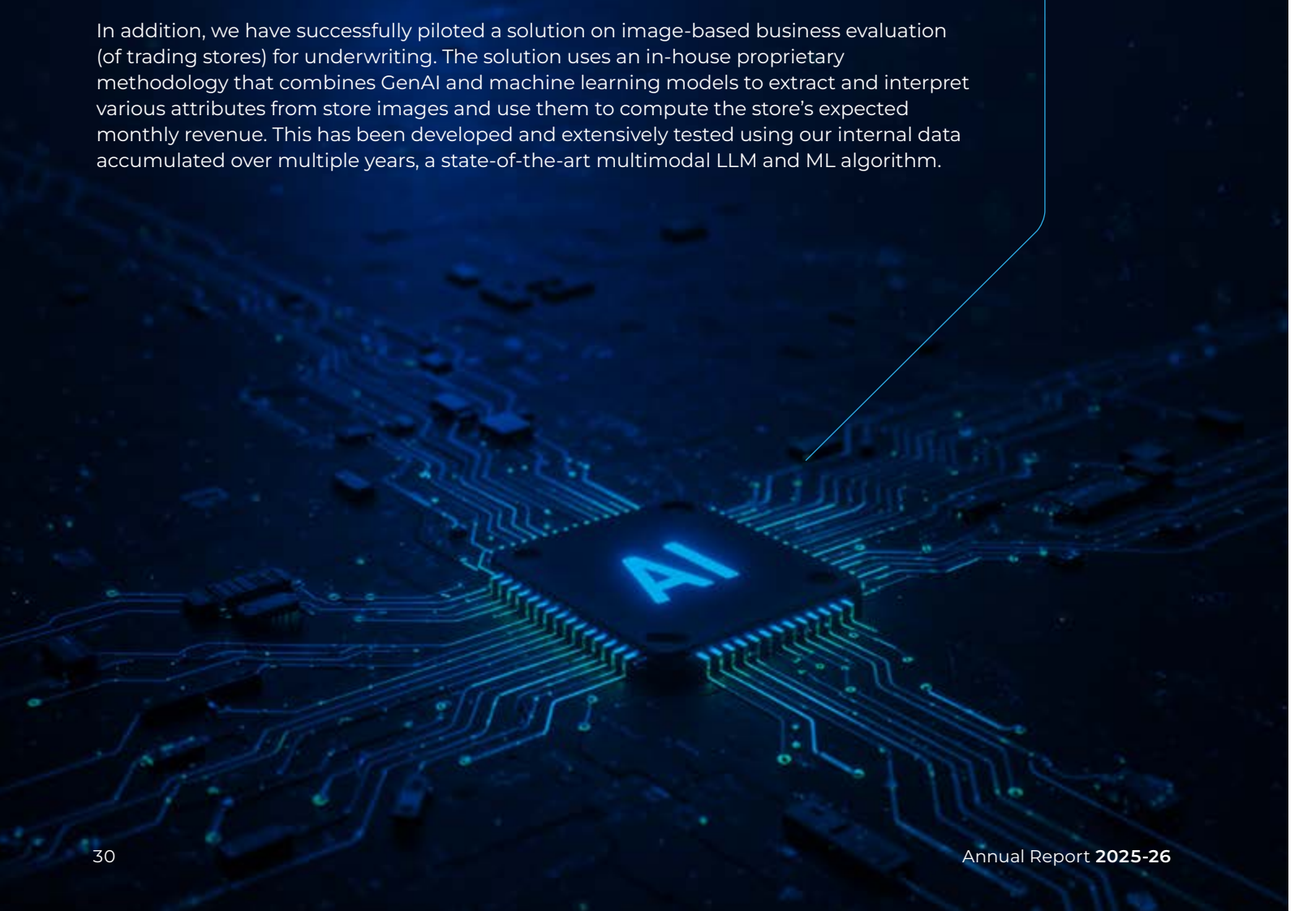
We use a two-stage AI-driven approach comprising an automated bureau-screening engine followed by a credit scoring model to assess default risk.

For Existing Applicants

We use advanced ML models with behavioural and other data to evaluate repayment patterns like bounce likelihood and early recovery likelihood, delinquency-stage based collection outcomes, and delinquency risk on repeat loans.

Our AI and ML models are developed using diverse, anonymised datasets and undergo rigorous validation and extensive backtesting before deployment. Post-deployment, continuous monitoring and human oversight remain integral to our approach.

In addition, we have successfully piloted a solution on image-based business evaluation (of trading stores) for underwriting. The solution uses an in-house proprietary methodology that combines GenAI and machine learning models to extract and interpret various attributes from store images and use them to compute the store's expected monthly revenue. This has been developed and extensively tested using our internal data accumulated over multiple years, a state-of-the-art multimodal LLM and ML algorithm.

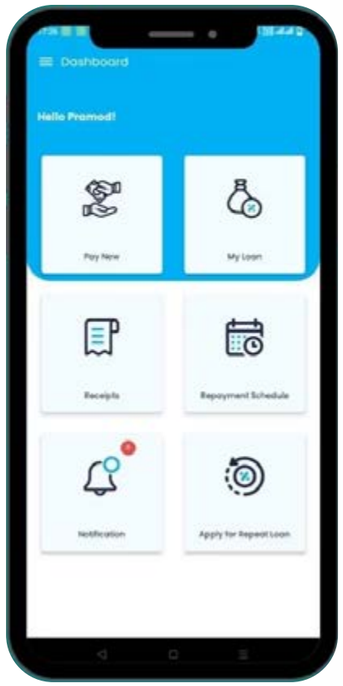


KEY INITIATIVES OF FY2026

Technology Pillar	Deployment in FY2026
• Core Lending Platforms	• Dialer Modernisation
• Collections Technology	• ERP Upgrade
• Enterprise Applications	
• Automation & AI	• Expansion of Intelligent Automation Capabilities
• Infrastructure	• Ongoing optimisation and capacity enhancement

Simplifying Customer Journeys through Digital Innovation

Enabling seamless digital interactions, our mobile application provides customers with a convenient platform to access and manage their lending journey. Through features such as loan tracking, repayment management, repeat loan applications and support services, the platform enhances transparency and ensures uninterrupted services, enabling us to extend our digital coverage to customers across remote and underserved markets.





PEOPLE MANAGEMENT

Nurturing a High-Performance, Future-Ready Workforce

At Aye Finance, we remain steadfast in our commitment to cultivating an agile, inclusive, and ethos-driven environment that empowers our workforce to drive meaningful, transformative impact. We are fostering a workplace dynamic anchored in mutual trust, transparency, and relentless continuous learning.

Aye's HR ecosystem rests upon four foundational pillars: Professional Growth & Development, Equity, Fairness & Inclusivity, Accelerated Growth Opportunities, and High Performance Culture. Together, these form the cornerstone of our core philosophy, "Maximising Human Potential".

10,800+
Employees

581
Branches

530K
Training Hours

8,350+
Awards

3,680+
New Joiners paired with buddies and supervisors

Hired **300+** under the “Earn while you Learn” Program

1,185
Employees promoted

~2 years
Average time to promote



Learn While You Earn

At Aye Finance, talent acquisition is approached with a profound sense of social and ethical responsibility. We consciously recruit talent directly from the grassroots communities we serve, ensuring our workforce possesses intuitive empathy and nuanced understanding of our micro-enterprise clientele. Through our flagship 'Learn While You Earn' initiative, we create transformative opportunities for ambitious individuals from socio-economically underserved backgrounds, offering full academic grants for undergraduate degree programs. We have hired 300+ 12th pass students in FY2026 and provided grants for their graduation.

Transforming the Workplace Through AI Integration

Our AI-driven ecosystem revolutionises the entire employee lifecycle across three core pillars of excellence. Through our Candidate Portal, we completely automate recruitment and deliver seamless, step-by-step onboarding tailored for new field joiners. Our Internal Communication framework blends human connection with instant tech support, uniting traditional touchpoints like Chaupal and Grievance Boxes with Ayemaan 2.0 – our intelligent WhatsApp chatbot delivering real-time policy and benefit guidance. Finally, our automated Performance Management System (PMS) empowers continuous growth through precise, data-driven tracking. By embedding intelligent automation into these vital touchpoints, we have built a frictionless, highly connected, and future-ready workplace experience.

Learning as a Lifestyle

To continually elevate our strategic leadership pipeline, we sponsor high-performing leaders for executive Management Development Programmes (MDP) at premier Indian Institutes of Management (IIMs). Our commitment to meritocracy and rapid internal growth is reflected in our career progression model, where eligible employees earn promotions roughly every two years – culminating in 1,185 merit-based promotions over the past year alone. Complementing this, our mobility pathways empowered team members to gain cross-functional expertise through 151 Internal Job Postings (IJPs) and 1,258 strategic internal mobility transfers, cementing clear trajectories for continuous professional advancement across the enterprise.

Recognising Achievement, Celebrating Milestones

Since inception, our rewards and recognition program has been central to building motivation and a culture of high performance across every vertical of the organisation. In FY2026, we have over 8,374 awards through our annual monthly and annual R&R programs, reaffirming our belief that consistent, visible appreciation is what sustains excellence at scale.

499
Aye Ka Sikandar Awards (Annual Awards)

2,443
Aye Ka Tara Excellence Awards

3,791
Cha Gaye (On the Spot) Awards

1,167
Service Excellence Awards

394
Silver Star Awards

80
Aye Ka Gaurav Awards (for AVPs & DVPs)

Our top performers were further rewarded with an all-expenses-paid international trip, a gesture that recognises exceptional contribution in a truly memorable way.

Long-term commitment finds its own place of honour in our culture. Employees completing five years with Aye are presented a 50g silver coin, while those reaching the ten-year mark are honoured with a 5g gold coin – small tokens that carry the weight of a decade's dedication.

A PREMIER WORKPLACE CERTIFIED BY GREAT PLACE TO WORK

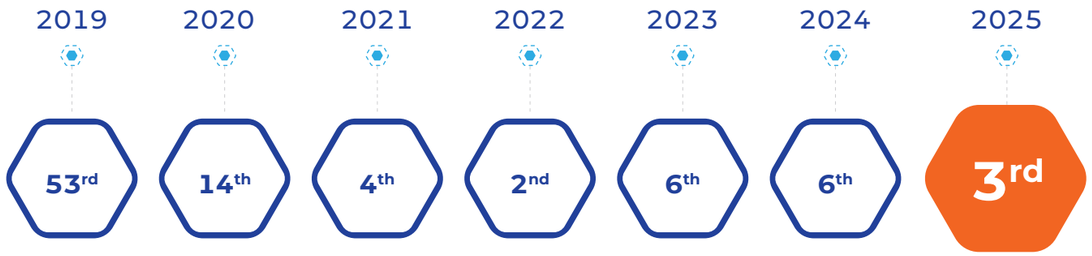
Aye Finance's unwavering dedication to fostering an inspiring, equitable, and empowering workplace culture has earned prestigious external acclaim. Over the last 8 years, Aye has steadily built its Great Place to Work credentials, moving from category-specific recognitions to a top-tier, all-industry ranking.

FY 2025-26 was a milestone year. Aye Finance was ranked 3rd among India's Best Companies to Work For 2025 by the Great Place to Work Institute – not within a sector or age-group category, but across all industries in the country. The ranking emerged from an evaluation of nearly 1,900 organisations, built on two components: an employee survey and an independent assessment of people practices.

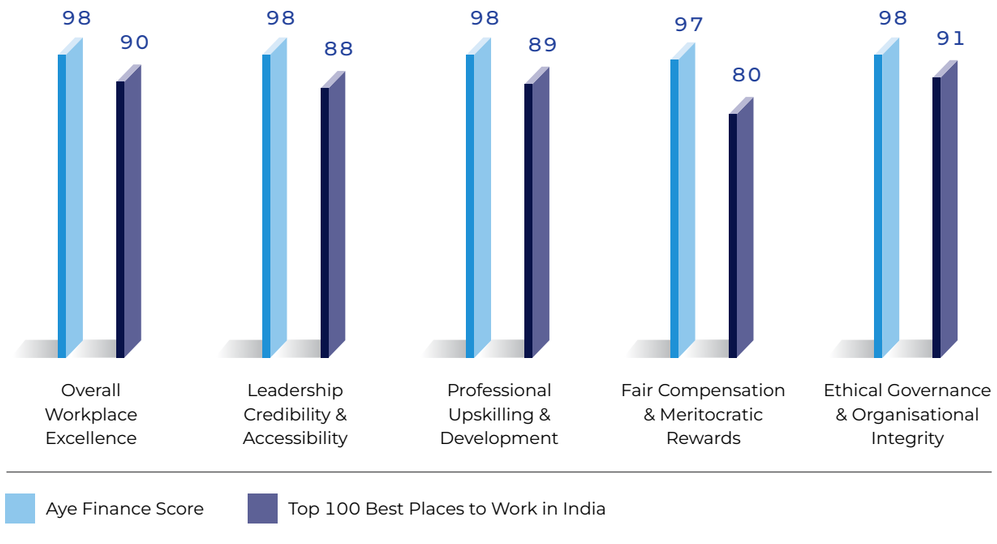
This recognition became even more significant in the light of the company crossing 10,000 employees during the year, indicating that the culture strengthened even as the organisation grew. Aye Finance has maintained its rank among India's Top 10 Workplaces for five consecutive years now.

Aye's scores across each of the dimensions in the GPTW Study's Trust Index Survey are higher than those of the Top 100 Best Companies to Work for in India.

YEAR-WISE GPTW RANKING TRAJECTORY



AYE FINANCE SCORES VS BENCHMARK



Best Workplaces in Asia

India's Best Workplaces for Millennials

India's Best Workplaces Building a Culture of Innovation by All

India's Best Workplaces in BFSI

Best Workplaces in NBFC

In FY2026, Aye Finance also made it to the 'India's Best Employers 2025' list by TIME Magazine and Statista



Testimonials from our Customers



Each repayment was a step towards greater stability, and each loan was a stepping stone to success.

Rafeeq Pasha
Footwear Trader



My wife and I are proud that our store is now always well-stocked. Having the right financial support behind us has given us the security of knowing our business is truly stable.

D Siddesh
Kirana Store Proprietor



I am grateful that not only could I build a stable business, but also provide steady jobs to 12 others.

Mukul Sharma
Zinc Plating



The ₹ 1.5 Lakhs that Aye gave me years ago is more valuable than the 10 Lakhs loan others are offering now.

Anand E. Subbaiah
Wood Work



Moving from a small setup to a full-scale utensil manufacturing unit required a partner like Aye who believed in my vision.

Arman Khan
Utensil Manufacturer



Manufacturing requires careful planning and staying ahead of demand. To keep my business growing exactly as I envisioned, I have relied on Aye for three cycles now.

Shabbir
Steel Fabrication

ENVIRONMENTAL, SOCIAL & GOVERNANCE

AYE FINANCE RECOGNISES THAT INTEGRATING ESG PRINCIPLES INTO OUR BUSINESS STRATEGY IS ESSENTIAL FOR LONG-TERM VALUE CREATION, REGULATORY COMPLIANCE, AND FULFILLING ITS MISSION. OUR COMMITMENTS AND GUIDING PRINCIPLES REFLECT OUR INTENTION TO OPERATE IN A MANNER THAT PROMOTES SUSTAINABILITY, SOCIAL RESPONSIBILITY, AND ETHICAL GOVERNANCE ACROSS THE BUSINESS.

ENVIRONMENTAL STEWARDSHIP

We promote responsible lending and operational practices that support resource efficiency and minimise environmental impact. Our continued focus on digitisation, including paperless processes and remote servicing, contributes to a more efficient and environmentally responsible operating model.

SOCIAL RESPONSIBILITY

We are committed to fostering inclusive growth by extending access to formal credit for underserved micro-enterprises. Our efforts support entrepreneurship, livelihood generation and economic empowerment, while also promoting an inclusive and equitable workplace.

GOVERNANCE & ETHICS

Our governance framework is guided by five principles – conscience, openness, fairness, professionalism and accountability. These principles underpin decision-making across the organisation and support long-term value creation.

Our ESG Committee

Aye Finance's ESG Committee is a management-level body responsible for directing the Company's ESG agenda. The ESG Committee reviews, approves, and monitors the ESG Policy, ESG Action Plan, and associated frameworks, ensuring robust governance and accountability across the organisation. It also commissions internal and external ESG assessments, audits and reviews, and escalates ESG material risks to the Board. The Committee's oversight extends across policy oversight, risk management, compliance and monitoring, as well as training and capacity building.

The ESG Policy

The system for integrating our ESG aspects into our business operations is structured into two key components – the ESG Policy, and the ESG Management System. Our well-defined ESG Policy is built on the core values of innovation, trustworthiness, being the best, customer-commitment and social good with the goal of making a meaningful and lasting contribution to the communities we serve.

Scope of our ESG Policy

Aye is committed to driving positive societal transformation through its business operations, while actively conserving the natural resources, protecting the environment, and contributing to the welfare of the broader community. The Policy applies to all our financial products and services, with a specific focus on the potential ESG impact associated with our operations and those of our stakeholders.



ENVIRONMENTAL

Managing our Environmental Impact



KEY HIGHLIGHTS, FY2026

100% of loan sanctions are conducted digitally

Over **97%** of disbursement documents are digitally signed

A defined exclusion list to restrict financing of environmentally or socially harmful activities

Alignment with global frameworks including UN SDGs, IFC Performance Standards and OECD Guidelines

ESG RISK MANAGEMENT AND MONITORING

We integrate ESG considerations into our credit processes by classifying loan applications based on defined risk parameters. Our exclusion list is applied consistently, supported by end-use verification to ensure alignment with ESG standards. We continue to strengthen our environmental performance management through:

- Identifying and tracking relevant environmental goals and indicators
- Enhancing frameworks for environmental risk assessment
- Monitoring the environmental impact of financed activities and their end-use
- Exploring and developing green finance solutions for our customers

GOVERNANCE

Winning with Integrity



Strong governance forms the foundation of our sustainable growth and stakeholder trust. We are committed to upholding the highest standards of ethical conduct, regulatory compliance, transparency and accountability through a robust framework that supports prudent risk management and responsible decision-making across the organisation.

Our Board of Directors and senior management take their responsibilities very seriously to set the tone at the top to provide effective leadership and rigorous oversight. We recognise ethics and governance to be of paramount importance. Through the policies, processes and practices, we have built a strong governance framework.

BOARD INDEPENDENCE AND OVERSIGHT

Aye Finance implements a robust compliance and governance framework with direct oversight by a professional board of independent directors who have been top professionals in their fields. Being a promoter-less company, the independence of the Board is well demonstrated in the operating minutes. We are proud to report that 5 out of 7 members of our Board comprise independent directors, ensuring objective and transparent decision-making in the interests of all stakeholders. This independent oversight strengthens our risk management framework, accountability standards and overall governance practices. The Board also actively oversees ESG matters, with regular reviews of policies and performance to ensure alignment with our long-term sustainability objectives.

7
Board Strength

97.40%
Average Board Attendance

72%
Independent Directors

10
Audit Committee Meetings

2
No. of Women Directors

4
Risk Committee Meetings

3.53 Years
Average Board Tenure

WHISTLE BLOWER POLICY

We have established a formal Whistle Blower Mechanism to provide employees, customers and other stakeholders with a secure and confidential channel to report concerns relating to unethical conduct, financial irregularities or violations of Company policies. All disclosures are subject to independent review, with adequate safeguards in place to protect whistleblowers from any adverse action. A summary of complaints received, along with the status and outcomes of investigations, is placed before the Audit Committee of the Board on a quarterly basis. This mechanism reinforces our commitment to maintaining high standards of governance, transparency and ethical conduct.

Key Principles on Client Protection

At Aye, client protection is fundamental to building lasting trust. We are committed to ensuring that every customer is treated fairly through responsible lending practices, robust grievance redressal mechanisms, and safeguards for data privacy. Some of our key principles on client protection are as below:

- To design financial products that are affordable, flexible and aligned with customer interests, ensuring sustainable pricing
- To prevent over-indebtedness by conducting thorough due diligence on customers' repayment capacities and establishing appropriate loan repayment schedules
- To implement customer feedback mechanism to analyse inputs and enhance service delivery, while treating customers fairly and respectfully, in accordance with code of ethics
- To respect customer data in compliance with Indian law, maintaining confidentiality and implementing mechanisms that provide value to clients in a responsible manner



CORPORATE SOCIAL RESPONSIBILITY

Advancing Livelihoods through Enterprise Development

At Aye Finance, our commitment extends beyond providing access to credit, as we believe sustainable development is driven by strengthening capabilities, resilience and growth potential of micro-enterprises. Through FAME, we address this gap by providing non-financial, capability-building support that enables micro-entrepreneurs to improve productivity, increase incomes, and build sustainable livelihoods.

Established in 2019, FAME (Foundation for Advancement of Micro-enterprises) is a not-for-profit arm of Aye Finance that supports entrepreneurship development and livelihood enhancement across the underserved communities. Since its inception, FAME has worked with over 3.7 Lakh micro-enterprises through focussed interventions in skill development, livelihood generation and enterprise capability building. FAME is now recognised as a prominent implementation-focussed Foundation operating at the intersection of livelihoods, women's empowerment, and microenterprise development.

FAME operates the CSR mission of Aye Finance to unlock the potential of India's micro-enterprise sector through non-finance interventions, such as building skills in market development and production improvement. Through FAME, we are committed to strengthening the micro-enterprise ecosystem and enhance capabilities of the underserved entrepreneurs across the rural and semi-urban communities. We undertake focussed interventions for micro-enterprises across Agri-Services, Manufacturing, and Trading sectors. In FY2026, FAME continued to deepen its outreach and impact and bridge the gap between potential and opportunity, unlocking avenues for growth.

KEY HIGHLIGHTS, FY2026

3.72 Lakh
Micro-entrepreneurs Trained

1.2 Lakh
Women Entrepreneurs Trained

Presence
6 States
18 Districts
300+ Villages

86
Team Size

6 Livelihood
Enhancement Programmes

25
In-house Skilling Centres

₹ 3 Crores
Livelihood generated for Women

₹ 25.5 Crores
Revenue generated for members

15,000
Awareness and Capability Building Sessions conducted

Our Partners
Hindustan Unilever
Banas Dairy (Amul)
Harit Pradesh (Mother Dairy)
Ministry of Rural Development

KEY CSR INITIATIVES UNDERTAKEN

AGRI SERVICES

Dairy Development Program

Our comprehensive model helps dairy farmers address key health-related challenges, reduce cattle care costs, enhance incomes and build confidence to sustainably expand their enterprise.

Key Interventions

Healthcare Services
Provide credible healthcare advisory to reduce healthcare costs, improve cattle productivity and increase production

FAME Service Centre
Enable collective purchasing of dairy inputs by farmers to reduce dairy input cost, benefit from wholesale pricing and ensure easier access to essential supplies for dairy farming

Milk Collection Centre
Collaborate with milk collection companies to provide dairy farmers with fair and transparent quality-based pricing, reducing farmers' dependence on milkmen and maximising profitability for dairy households



From caring for cattle to leading a rural enterprise

Rani, Alwar

Rani was engaged in dairy farming, feeding cattle, cleaning sheds and carrying out other daily animal care activities. Once she became associated with FAME's Dairy Development Program, she was given the responsibility of managing a Fame Service Centre in her village. She was provided with structured training in digital literacy, book-keeping, financial management, inventory control, customer service and enterprise operations. Through continuous mentoring and handholding support, she gained the confidence and capabilities needed to run the centre independently.

Today, Rani manages every aspect of the centre from procuring and stocking cattle feed and dairy inputs to maintaining records, managing sales and payments, and supporting local dairy farmers. From once hesitating to speak in public, she confidently interacts with farmers, manages finances and serves as a trusted resource within her community.

MANUFACTURING

Shoe Artisans Program

By training women in footwear manufacturing and equipping them with technical skills and industry exposure, we are helping women artisans earn recognition for their craftsmanship and establish themselves as skilled contributors to the footwear value chain.

Key Interventions

In-house skill development and training

Theoretical and hands-on training in shoe making

In-house manufacturing unit

Infrastructure and resource set-up available for shoe making

Livelihood generation

Creating livelihood opportunities for trained women shoe artisans



Contributing to the family's dreams

Suman, Agra

Suman always believed her role was limited to managing the household responsibilities, while her husband worked to support the family. However, she was keen to provide better educational opportunities to her children and wanted to improve the family's quality of life. As the cost of living increased, she joined FAME's Footwear Manufacturing Program, which enabled her to acquire a marketable skill while working within the local community.

With structured training and practical exposure, she managed to learn footwear production techniques and gradually became an active member of the production unit. Although she earned a modest income, it helped her cover school fees, educational materials, healthcare expenses and other household expenses. The additional earnings helped reduce financial stress on her husband and enabled the family to save for future goals.

Sports Cluster Development Program

FAME's Cluster Development Program focusses on upskilling women in the manufacturing of high-quality sports goods, such as footballs, cricket balls and badminton racquets. The Program enables them to access better livelihood opportunities and fair wages for their skills, while also contributing to India's sports manufacturing ecosystem.

Key Interventions

Capacity Building

Onboarded specialists as trainers providing comprehensive skills to women sports manufacturers for creating high quality footballs and cricket balls

Livelihood Opportunities

Partnered with sports manufacturing units in Meerut to provide livelihood opportunities for skilled women

Development Initiative for Women Association (DIWA)

The Program aims at turning housewives into entrepreneurs, giving them a stronger voice in households and in community decisions. With structured training and improved infrastructure, packaging knowledge and access to markets, we are helping women strengthen their capabilities, access markets and build sustainable livelihoods.

Key Interventions

Skill development and training

Provide dedicated training centre and trainer to train women on all aspects of savoury making

Branding and marketing

Provide branding and packaging support to help customers connect with the Project's overall mission

Market linkages

Ensuring market linkages to build a resilient market for the new entrepreneurs



From vulnerability to empowerment

Rekha Devi, Meerut

When Rekha Devi lost her husband unexpectedly, she faced the overwhelming responsibility of providing for her family. With no stable source of income and limited opportunities in the village, she lacked resources for meeting household expenses, and was soon associated with FAME's DIWA Program. She gradually gained confidence through hands-on training and mentoring, and participated in production activities. She was able to gain a primary source of financial support for her household which helped meet the daily expenses, support children's education, and reduce dependence on informal loans.

Today, she is a hardworking and skilled producer, and her journey has inspired other women in her village to explore livelihood opportunities. Her journey demonstrates how access to skills, dignified work and community support can help women overcome adversity and build a secure future for themselves and their families.

TRADING

Kirana Empowerment Program

FAME Kirana Empowerment Program is aimed at transforming women-led neighbourhood stores into thriving micro-enterprises. Through training, business capacity building, store modernisation, and stronger market linkages, the Program strengthens women's entrepreneurship while creating sustainable livelihood opportunities and support the developement of profitable micro entreprises thereby enabling long-term livlihood security.

Key Interventions

Capacity Building

Enhancing skills and knowledge of Kirana shop owners to improve their business

Saksham Kirana

Providing grants to women-owned Kirana shops and transforming them into modern digitise store

For more on our CSR Initiatives, refer FAME Report FY2026 on our website

Recognised for Excellence. Celebrating Impact.



India's Best Employer 2025

Recognised by TIME and Statista as one of India's Best Employers for 2025.



Ranked 3rd Best Places to work for by GPTW

Ranked 3rd by Great Place to Work among India's Best Companies to Work for, Aye Finance is recognised for creating & sustaining a High-Trust, High-Performance Culture.



Among India's Best Workplaces 2025

Recognised among the Best Workplaces Asia 2025 by Great Place to Work.



Among India's Best Workplaces in BFSI

Aye Finance makes it to India's Top 25 Best Workplaces in BFSI (Banking, Financial Services, and Insurance) by the Great Place To Work Institute



Ranked among India's Fastest Growing Companies

Recognised by Statista and TIME magazine among India's 100 Fastest-Growing Companies of 2026



World's Top Fintech Companies 2025

Ranked among the only three Indian companies recognised in CNBC and Statista's World's Top Fintech Companies 2025.



Excellence in Financial Inclusion

Recognised for Excellence in Financial Inclusion at the 8th NBFC 100 Leader of Excellence Awards 2025, hosted by Elets Technomedia.



SME Financier of the Year – Asia

Felicitated with 'SME Financier of the Year – Asia' award at the Global SME Finance Forum for providing exceptional support to SME clients and market leadership.



Excellence in SME Lending

Declared the winner in 'Excellence in SME Lending' category at the India Credit Risk Summit & Awards 2026.

BOARD OF DIRECTORS

Guiding Vision. Strengthening Governance.

Our Board brings together diverse expertise across banking, financial services, regulation, academia and investments, providing strategic guidance and strong governance oversight to support sustainable growth.



Dr. G. R. Chintala
Chairperson & Independent Director

Dr. Chintala brings over 36 years of experience across banking, rural finance and financial inclusion. He previously served as Chairman of NABARD from 2020 to 2022 and has held leadership positions across institutions including NABFINS, NABVENTURE and NAB FOUNDATION. He has also served on the Boards of BIRD, IRMA and DICGC, besides contributing to advisory initiatives with premier academic and financial institutions.



Mr. Sanjay Sharma
Managing Director

Mr. Sharma leads the Company's overall strategy and operations. As Founder, he has transformed Aye Finance from a technology-led start-up into a scaled financial services institution focussed on financial inclusion and sustainable growth. He brings over 34 years of experience across the BFSI sector, having held leadership roles at HSBC, HDFC Bank, ICICI Bank and Max Life Insurance. He also founded Tamweel PJSC in the UAE and scaled it into one of the region's leading housing finance companies. He is an alumnus of IIT Bombay and IIM Bangalore.



Mr. Sanjaya Gupta
Independent Director

Mr. Gupta is a seasoned banking professional with over 36 years of experience in housing finance and financial services. He served as MD & CEO of PNB Housing Finance Limited from 2010 to 2020 and was also the Co-founder and Non-Executive Chairman of India Shelter Finance. He played a pioneering role in conceptualising India's first mortgage guarantee product through a joint venture involving IFC, ADB and other institutions. He was awarded the 'Economic Times Most Promising Business Leader Asia 2018-19'.



Mr. Vinay Baijal
Independent Director

Mr. Baijal is a distinguished financial sector professional and former Chief General Manager at the Reserve Bank of India. During his tenure, he contributed significantly to foreign exchange policy and the implementation of FEMA regulations. He also established the Banking Codes and Standards Board of India and served as its first CEO. His experience extends to global and national regulatory initiatives, including participation in the World Bank Task Force on Credit Data Reporting and India's FATF assessment framework.



Prof. Kanika T Bhal
Independent Director

Prof. Bhal is a PhD from IIT Kanpur and is the Modi Chair Professor at the Department of Management Studies at IIT Delhi and is a visiting fellow at Sloan School of Management, MIT. She has authored books on leadership, culture and ethics. Prof. Bhal has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects and has been a consultant to various government organisations. She has been conferred several awards and has been given the honorary title of Professor Honorable by Tshwane Institute of Technology, South Africa.



Ms. Padmaja Nair
Independent Director

Ms. Nair brings rich experience in banking, capital markets and institutional finance. She holds a bachelor of arts degree from Lady Shri Ram, University of Delhi and a master of arts (history) degree from University of Delhi. She has held senior leadership positions at the State Bank of India and SBI Capital Markets Limited, including serving as General Manager at SBI. She currently serves on the Board of UC Inclusive Credit Private Limited and contributes significant expertise in banking operations, governance and financial services.



Mr. Aditya Misra
Non-Executive, Non-Independent Director

Mr. Misra has experience across investments, strategy and impact-focussed businesses. He currently serves as Director of Investments at ABC Impact, part of Temasek Trust Asset Management Pte. Ltd. Prior to this, he was associated with Omidyar Network India Advisors and A.T. Kearney Limited. An alumnus of IIT Bombay, he brings expertise in investment management, strategic growth and impact investing.

Corporate Information

1. BOARD OF DIRECTORS:

1. **Dr. Govinda Rajulu Chintala**
   Chairperson & Independent Director
2. **Ms. Kanika Tandon Bhal**
   Independent Director
3. **Ms. Padmaja Nair**
   Independent Director
4. **Mr. Sanjaya Gupta**
   Independent Director
5. **Mr. Vinay Baijal**
   Independent Director
6. **Mr. Aditya Misra**
   Non-Executive & Non-Independent Director
7. **Mr. Sanjay Sharma**
   Managing Director

2. KEY MANAGERIAL PERSONNEL AS ON MARCH 31, 2026:

1. **Mr. Sanjay Sharma**
   Managing Director
2. **Mr. Sovan Satyaprakash**
   Interim Chief Financial Officer
3. **Mr. Vipul Sharma**
   Company Secretary, Compliance Officer & Chief Compliance Officer

3. COMPANY SECRETARY & COMPLIANCE OFFICER:

As on March 31, 2026, Mr. Vipul Sharma was the Company Secretary & Compliance Officer.

4. STATUTORY AUDITORS:

M/s S S Kothari Mehta & Co. LLP (formerly known as S S Kothari Mehta & Co.), Chartered Accountants, New Delhi, (Firm Registration No. 000756N/N500441)

5. REGISTRAR AND TRANSFER AGENT:

KFin Technologies Limited ('Kfin') (formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032
Website: - www.kfintech.com
E-mail: - unlservices@kfintech.com
SEBI Reg No. - INR000000221

6. REGISTERED OFFICE & CORPORATE OFFICE OF THE COMPANY:

Registered Office:

M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi -110015, India

Corporate Office:

Unit No. 701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Gurugram – 122003, Haryana, India

Management Discussion and Analysis

GLOBAL AND INDIAN ECONOMIC OVERVIEW AND OUTLOOK

Global Economic Overview

Global economic growth is projected to remain broadly stable at 3.4% in CY2025, moderating to approximately 3.1% in CY2026 and 3.2% in CY2027, amid persistent geopolitical disruptions including the Russia–Ukraine conflict and escalating Middle East tensions that continue to weigh on energy markets, supply chains, and inflation dynamics. Inflation is expected to ease gradually from 4.4% in CY2026 to 3.7% in CY2027, supported by softer demand and lower energy prices. Advanced economies are forecast to grow at a modest 1.7–1.9% through CY2027, while Emerging Markets and Developing Economies continue to outperform on the back of domestic consumption and infrastructure investment. The IMF has outlined adverse scenarios in which a significant escalation of the Middle East conflict could reduce global growth to as low as 2.0% while pushing headline inflation above 6% by 2027, with the impact on EMDEs nearly double that on advanced economies. Key downside risks include trade disputes, rare earth supply chain vulnerabilities, widening fiscal deficits, rising public debt, and potential erosion of monetary policy credibility, while accelerated AI adoption and structural reforms represent potential upside offsets.

https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

https://www.spglobal.com/market-intelligence/en/news-insights/research/2026/03/global-economic-outlook-march-2026

https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

Indian Economic Overview

Despite global uncertainties, the Indian economy demonstrated strong resilience in FY 2025-26, with real GDP expanding 7.6%, underpinned by robust private consumption, accelerated infrastructure spending, and sustained momentum in the services sector. Private Final Consumption Expenditure rose to 7.6% from 5.6% in the previous year, while favourable monsoon conditions supported agricultural output and rural demand. Inflationary pressures eased considerably, with headline inflation at 1.7% and CPI inflation at 4.6%, within the RBI's 2–6% target band, as the central bank maintained a repo rate of 5.25% to balance growth and financial stability. Fiscal policy remained growth-oriented, with capital expenditure as a key priority and ₹ 16.56 Lakh Crore allocated to states under the Finance Commission route in FY 2026-27, Budget Estimates. Structural initiatives including Make in India and the PLI schemes continue to strengthen domestic manufacturing and advance the Viksit Bharat agenda. Looking ahead, the World Bank projects GDP growth of approximately 6.6% in FY2027, supported by resilient domestic demand and steady export performance, notwithstanding external headwinds from elevated energy prices and geopolitical tensions. India's recent shift in global economic rankings reflects currency movements and statistical revisions rather than any structural deterioration, and sustained reforms, consumption growth, and investment momentum are expected to support its progression toward becoming the third-largest economy over the next decade.

https://www.mospi.gov.in/uploads/latestReleases/latest_release_1772189865181_f040336d-bc57-4aed-b80f-586d9ccb279e_Press_Note_on_New_Series_of_GDP_Estimates_with_Base_Year_2022-23_27022026.pdf#:~:text=Real%20GDP%20or%20GDP%20at%20Constant%20Prices,as%20compared%20to%207.1%20%25%20in%202024%2D25

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221389&reg=3&lang=2

https://www.pib.gov.in/PressNoteDetails.aspx?id=157124&NoteId=157124&ModuleId=3&reg=37&lang=1

https://timesofindia.indiatimes.com/business/india-business/explained-on-way-to-4th-largest-how-india-slipped-to-6th-rank-what-it-means-for-3rd-largest-economy-dream/articleshow/130356662.cms

https://www.worldbank.org/en/news/press-release/2026/04/09/india-remains-among-the-fastest-growing-economies

INDUSTRY OVERVIEW

Indian NBFC sector review

India's NBFC sector serves as a critical pillar of the financial architecture, bridging the credit gap across retail, MSME, infrastructure, and specialised lending segments where traditional banks remain constrained by rigid underwriting models and high operational costs. As the sector has grown in systemic significance, the RBI introduced the Scale-Based Regulation (SBR) framework to strengthen oversight and safeguard financial stability.

NBFCs are distinctively positioned to serve the "Missing Middle" – the MSME ecosystem contributing nearly 30% to India's GDP yet facing a persistent credit gap due to limited hard collateral. By leveraging alternative data sources such as GST filings, real-time cash flows, and digital transaction histories, NBFCs assess creditworthiness rapidly and bring underserved borrowers into the formal financial fold. New-age NBFCs further amplify this through AI, machine learning, and automation – enabling faster loan approvals, improved underwriting efficiency, and more affordable last-mile credit delivery.

NBFCs overall are projected to deliver 21% CAGR AUM growth over FY 2026-28, supported by demand recovery and the consumption boost from tax changes. Margins are also expected to expand as lower rates feed into declining cost of funds.

https://bfsi.economictimes.indiatimes.com/articles/indias-banks-and-nbfcs-set-for-growth-surge-in-h2-fy26/125337052

Beyond lending, NBFCs mobilise domestic savings through gold loan and microfinance products, converting dormant household assets into productive capital – complementing the efforts of MFIs and Small Finance Banks in deepening financial inclusion.

The sector's capital market footprint is equally compelling. India's securitisation market reached a record ₹ 2.55 Lakh Crore in FY2026, driven by a 30% year-on-year surge in NBFC originations, even as banks' share declined sharply from 26% to just 3%. Vehicle loans retained the largest asset class share at 40%, while gold loan-backed securitisation overtook mortgages for the first time at 15%. Pass-Through Certificates now account for approximately 60% of total market volume, reflecting growing investor preference for structured credit protection – underscoring securitisation's emergence as a cornerstone of NBFC liability management.

https://www.manappuram.com/news/89-sprint-why-nbfcs-are-engines-indias-2047-dream

https://www.moneycontrol.com/news/business/markets/rbi-s-revised-nbfc-ul-norm-could-narrow-valuation-discount-for-these-psu-stocks-over-medium-term-13892108.html

https://www.zeebiz.com/economy-infra/news-nbfc-led-growth-pushes-indian-securitisation-market-to-record-rs-255-lakh-crore-in-fy26-393426

Indian Micro MSME Sector review

Micro MSMEs are the lifeline of India's grassroots economy – powering employment, exports, and inclusive growth from village clusters to global value chains. As per the Union Budget FY2026, the revised limits for micro enterprises are an investment of up to ₹ 2.5 Crores and annual turnover up to ₹ 10 Crores, effective from April 1, 2025. The investment limit was increased by 2.5 times and turnover limits were doubled – aimed at fostering growth, encouraging innovation, and creating a more enabling ecosystem for MSMEs to flourish.

https://www.indiafilings.com/learn/msme-new-definition

MSMEs - Micro, Small, and Medium Enterprises - engage in the service sector or in manufacturing, processing, production, and preservation of goods. They are widely considered the backbone of India's economy, and the government's objective is to raise their contribution to 50% of GDP in the coming years. India's MSME sector forms the backbone of the national economy, accounting for 31.1% of GDP, 35.4% of manufacturing output, and 48.58% of total exports, with over 300 million people employed across units registered on the Udyam portal. Despite this scale and economic significance, the sector remains critically underinsured.

Udyam + UAP Overview

Total Registration **8,19,68,968**	Total Classified **8,19,20,152**	Micro **8,13,43,641**
Small **5,35,190**	Medium **41,321**	Employment **36,34,32,209**

Udyam Registration

Total Registration **4,84,62,753**	Total Classified **4,84,13,937**	Micro **4,78,37,426**
Small **5,35,190**	Medium **41,321**	Employment **31,91,76,219**

https://udyamregistration.gov.in/

Micro MSMEs were historically ignored because they were expensive to assess, hard to reach, and had nothing to offer as collateral. Technology has dismantled the first two barriers, government guarantees have addressed the third, and formalisation is steadily building the data trail that makes the whole system work. The credit gap is still enormous – which is precisely why this segment represents the largest untapped lending opportunity in India right now.

As of April 2026, micro-enterprises accounted for 98.8% of all registered MSMEs, while small and medium enterprises represented 1% and 0.07%, respectively. Gujarat has certified a record 1,00,135 micro, small and medium enterprises (MSMEs), marking what the state government described as a significant milestone for the sector. Micro MSMEs generate significant employment at low capital cost, support large industries as ancillary units, and promote industrialisation in rural and backward areas – helping reduce regional imbalances and ensure more equitable income distribution.

https://www.ibef.org/industry/msme#:~:text=The%20number%20of%20registered%20MSMEs,and%20strong%20policy%20support%20frameworks.

https://ddnews.gov.in/en/gujarat-sets-record-with-over-1-lakh-msme-certifications-dy-cm-tells-assembly/#:~:text=medium%20enterprises%20(MSMEs)-,Gujarat%20sets%20record%20with%20over%201,certifications%2C%20Dy%20CM%20tells%20Assembly

Over 7.83 Crore enterprises have been registered on the Udyam Registration Portal and Udyam Assist Platform from July 1, 2020 to December 2025. The vast majority of these are micro enterprises. As of November 20, 2025, Maharashtra, Uttar Pradesh, and Tamil Nadu together account for nearly 32% of all Udyam registrations nationwide - Maharashtra leads with over 90 Lakh registrations (13%).

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2228306&reg=3&lang=2

MSMEs play a critical role in India's economy by promoting entrepreneurship at the grassroots level, reducing regional imbalances, and shifting the workforce from agriculture to manufacturing and services. They contribute significantly to exports by supplying a wide range of goods to global markets and support financial inclusion by bringing informal businesses into the formal system through increased lending. Going forward, MSMEs are expected to be central to India's goal of becoming a high-income economy by 2047, supported by policies focussed on digital finance, technology adoption, and sustainable growth.

Year-wise and MSME category-wise registration of MSMEs

Year/ Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021*	Fiscal 2022^	Fiscal 2023$	Fiscal 2024	Fiscal 2025^^
Micro	21,47,908	13,44,612	18,70,932	22,48,730	35,95,577	49,75,082	1,26,17,959	2,62,34,956	3,01,53,648
Small	2,16,558	1,66,259	2,41,187	3,02,299	4,00,525	1,72,432	4,35,885	7,08,216	7,27,208
Medium	8,592	6,584	9,426	11,229	35,541	11,294	39,854	67,481	68,660
Total	23,73,058	15,17,455	21,21,545	25,62,258	40,31,643	51,58,808	1,30,93,698	2,70,10,590	3,10,05,936

Note: * Based on UAN and Udyam registrations, ^Based on Udyam registrations, $ Based on Udyam registrations as on December 2022 as stated in the MSME Annual Report 2022 to 2023; Mas of November 18, 2024. Source: Development Commissioner Ministry of Micro, Small & Medium Enterprises (DCMSME), Udyam Registrations, CRISIL MI&A

https://www.drishtiias.com/daily-updates/daily-news-editorials/scaling-indias-msme-growth

https://udyamregistration.gov.in/

Key Industry Growth Drivers

1. Credit Access & Financial Inclusion

This is the single biggest lever. The credit guarantee cover for micro and small enterprises has been raised from ₹ 5 Crore to ₹ 10 Crore, expected to unlock an additional ₹ 1.5 Lakh Crore in credit over five years. Under PMMY, over ₹ 33.65 Lakh Crore has been sanctioned through 52.37 Crore Mudra loans, largely targeting marginal entrepreneurs. The RBI is also piloting the Unified Lending Interface (ULI) specifically to ease digital credit access for micro enterprises. The overall credit ratio improved significantly to 3.1x in 2025-26, up from 2.0x in 2024-25. NBFCs, particularly in housing finance and capital markets segments, benefited from this broader corporate credit resilience, with rating upgrades supported by increased scale and stable-to-improving financial profiles.

2. Formalisation Through Udyam & UAP

The Udyam Assist Platform, launched in November 2023, is designed to pull informal micro-enterprises into the formal economy – giving them access to Priority Sector Lending and government benefits they were previously locked out of. PhonePe and SIDBI have partnered on this platform, with over 2.75 Crore certificates issued in just two years.

3. Digital Adoption

72% of payments in the MSME sector are now made digitally, and e-commerce activity through platforms like the Government e-Marketplace (GeM) is growing rapidly. Cloud adoption is another accelerant – micro enterprises can now access enterprise-grade tools on pay-as-you-go models, removing the barrier of heavy capital investment in IT infrastructure. Data is replacing collateral. The biggest barrier for micro businesses was always “no assets, no loan". That’s shifting fast. GST filings, UPI transaction history, utility bills, e-commerce sales data – all of this now feeds into underwriting models. A street vendor with a consistent digital payment trail is increasingly a creditworthy borrower, even without a single fixed asset.

4. Growing Workforce and Economy

The MSME sector in India plays a pivotal role in increasing the workforce and fostering economic growth. With over 96% of industrial units belonging to small companies, this sector contributes significantly to job creation, accounting for 40% of industrial production and 42% of exports. Moreover, the recent surge in startups, especially in Tier-2 and Tier-3 cities, underscores the sector’s dynamism and potential for employment generation.

5. Policy Tailwinds – Rate Cuts, Tax Relief & GST Reductions

Transmission of RBI policy rate cuts, income tax relief, and GST rate cuts have collectively boosted disposable incomes and credit demand, creating a favourable environment for NBFC loan book expansion.

6. Export Integration

MSMEs contribute approximately 45.7% of India’s total exports. PLI schemes across electronics, textiles, and pharmaceuticals have boosted competitiveness, while digital B2B platforms like IndiaMART, Amazon Global Selling, and the DGFT portal are helping micro units reach international buyers directly.

https://newsd.in/msme-sectors-contribution-to-indias-export-growth-in-2025/

7. Domestic Consumption & Government Infrastructure Push

Domestic consumption and the government’s sustained emphasis on infrastructure investment are identified as the primary economic growth anchors going into 2026-27 – both of which directly expand the lending opportunity for NBFCs across retail, MSME, and project finance segments.

8. India-EU Free Trade Agreement

The landmark India-EU FTA creates new trade and growth opportunities across sectors like pharmaceuticals, chemicals, and auto components – all of which are key NBFC lending segments, potentially driving higher credit demand from exporters.

https://www.icra.in/CommonService/OpenMediaS3?Key=15d25861-9241-457d-992b-25d55c747365

https://www.blueweaveconsulting.com/report/india-msme-market

MANAGEMENT DISCUSSION AND ANALYSIS

Government initiatives to push MSME sector

1. **Pradhan Mantri Mudra Yojana (PMMY):** Under PMMY, as of April 2025, over ₹ 33,65,000 Crore (USD 390.87 billion) has been sanctioned through 52.37 Crore Mudra loans to entrepreneurs of SMEs, particularly those belonging to marginal sections of society.

2. **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE):** The CGTMSE provides an infusion of ₹ 9,000 Crore (USD 1.08 Billion) to increase available credit to ₹ 2 Lakh Crore (USD 24.1 Billion). The guarantee ceiling has been increased to ₹ 10 Crore with coverage up to 90%. The Ministry of MSME has also increased CGTMSE credit guarantee coverage for women-owned micro and small enterprises to 90%, benefiting approximately 27 Lakh women-led MSEs.

3. **Prime Minister’s Employment Generation Programme (PMEGP):** Over ₹ 3,148 Crore (USD 377 million) in loans were disbursed under PMEGP, leading to the establishment of more than 26,000 micro enterprises and the creation of approximately 2,10,000 jobs. The scheme supports project costs of ₹ 50 Lakh in manufacturing and ₹ 20 Lakh in services, offering margin money subsidies of up to 35% for new microenterprises.

4. **MSME Credit Cards:** The Union Budget 2025-26 introduced customised MSME credit cards with a ₹ 5 Lakh limit for micro-enterprises registered on the Udyam portal, with 10 Lakh cards to be issued in the first year.

5. **Udyam Registration & Udyam Assist Platform:** Over 7.83 Crore enterprises have been registered on the Udyam Registration Portal and Udyam Assist Platform as on March 2026. As part of the e-Governance initiative, the government has introduced web services such as Udyam Registration, MSME Samadhaan Portal, and MSME Sampark Portal to make operations accessible online.

6. **₹ 10,000 Crore SME Growth Fund (Budget 2026-27):** A dedicated ₹ 10,000 Crore SME Growth Fund was announced in Budget 2026-27 to nurture future MSME champions through structured equity support based on defined eligibility criteria. Additionally, the SRI Fund will receive a further infusion of ₹ 2,000 Crore to sustain risk capital support for micro enterprises. DD News

7. **PM Vishwakarma Scheme (launched September 2023):** The PM Vishwakarma Scheme provides end-to-end support to artisans and craftspeople across 18 trades. As of December 1, 2025, over 30 Lakh beneficiaries have registered, 23.09 Lakh have been trained, and ₹ 2,257 Crore has been sanctioned to 2.62 Lakh beneficiaries as collateral-free loans. DD News

8. **Other Initiatives**

   The RAMP Scheme, backed by the World Bank, has supported 4 Lakh MSMEs and plans to integrate 5 Lakh MSEs onto digital platforms like ONDC and GeM to strengthen e-commerce presence. Complementing this, the Public Procurement Policy guarantees a ready domestic market by mandating 25% of all Central government procurement from MSEs, with dedicated quotas for SC/ST and women-owned enterprises. On the skills front, nearly 5.66 Lakh people were trained across 12,479 ESDP programmes in FY2025, while tool rooms supported over 44,000 MSME units. For global outreach, the Export Promotion Mission carries a ₹ 25,060 Crore budget (2025–2031), with financial assistance for MSMEs to participate in international trade fairs and exhibitions. Underpinning all of this, the Union Budget FY2026 allocated ₹ 23,168 Crore to the MSME Ministry – a 4.6% increase over FY2025 – and revised classification thresholds upward by 2.5x on investment and 2x on turnover, widening the formal MSME umbrella and enabling more micro enterprises to access government incentives and schemes.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2246892&reg=3&lang=1#:~:text=A%20revised%20definition%20based%20on,semi%2Durban%20and%20rural%20regions

https://www.ibef.org/blogs/msme-innovative-scheme

https://www.ibef.org/news/the-government-of-india-has-taken-several-initiatives-to-provide-support-to-micro-small-and-medium-enterprises-msmes-for-improving-access-to-finance-timely-payments-and-faster-technology-adoption

https://www.ibef.org/industry/msme

https://ddnews.gov.in/en/union-budget-2026-27-puts-msmes-at-the-core-of-indias-global-growth-strategy/

Outlook of the industry

The outlook for Micro MSMEs in India from FY2026 onwards is decidedly optimistic, underpinned by strong macroeconomic fundamentals and targeted policy support. MSME credit expanded 21.8% year-on-year as of November 2025, with micro and small enterprises recording an even sharper rise of 24.6% – a dramatic jump from just 10.2% in November 2024 – making MSME credit the primary driver of overall industrial credit growth.

Global headwinds – particularly US tariff hikes on select Indian goods – have added pressure on micro enterprises in labour-intensive sectors such as textiles, apparel, seafood, and auto components, prompting the government to accelerate domestic demand-side reforms. On the structural side, lenders are increasingly deploying data-driven, collateral-free underwriting using GST trails, account aggregators, and digital invoices – rewarding micro enterprises with clean books, digital collections, and formal banking relationships, signalling a decisive shift toward financial inclusion at the grassroots level. With India poised to overtake Japan to become the world's fourth-largest economy in 2025 and Germany by 2027, MSMEs – contributing nearly 30% to GDP and employing over 110 million people – must be at the centre of this transformation for growth to be sustainable and inclusive.

As formalisation deepens, digital infrastructure matures, and government-backed credit guarantee frameworks expand their reach, NBFCs with established cluster-level expertise, technology-led underwriting, and last-mile branch networks are structurally better placed than ever to serve India's vast and underpenetrated micro-enterprise credit market. The Company views the current policy environment as a significant enabler for its next phase of AUM growth, customer acquisition, and financial inclusion impact.

Economic Survey 2025-26 — PIB | SMEStreet — Economic Survey MSME Outlook | Deloitte — India Economic Outlook Jan 2026 | SMEStreet — IMF Growth & MSMEs

COMPANY OVERVIEW

Aye Finance Limited (formerly Aye Finance Private Limited; hereinafter referred to as 'Aye Finance', 'the Company' or 'We') is a Reserve Bank of India ('RBI') registered Non-Banking Financial Company ('NBFC'), incorporated in 2014 and headquartered in Gurugram, India. The Company is purpose-built to address the vast credit gap faced by India's micro-enterprise ecosystem – a segment that is the backbone of the country's economy yet remains significantly underserved by mainstream financial institutions.

With a decade of on-ground experience, Aye Finance has developed deep domain expertise in assessing the creditworthiness of informal and semi-formal micro-businesses through proprietary, cluster-based underwriting models, advanced data science, and a technology-enabled field infrastructure. Over the years, the Company has evolved from a grassroots MSME lender into a scalable, professionally governed financial institution, now preparing to list on Indian stock exchanges following SEBI's approval of its Draft Red Herring Prospectus in April 2025

Our Product Range

Aye Finance offers a suite of four business loan products, all non-consumption in nature, designed to serve micro-enterprises operating largely outside the formal credit ecosystem – predominantly in Tier-2 and Tier-3 cities across India.

Hypothecation Loans

It forms the backbone of our lending portfolio, accounting for 76.9% of total AUM (₹ 7,044 crores as of March 31, 2026). These loans are tailored for short-term business requirements such as inventory procurement, wage disbursement, minor renovations, and working capital needs. Structured around the hypothecation of movable assets, they allow businesses to raise capital while retaining ownership and operational use of those assets. We offer both secured and unsecured variants. Secured hypothecation loans are backed by tangible business assets, while unsecured hypothecation loans are extended to micro-enterprises that may lack high-value collateral but possess active working assets – with credit decisions based on an overall assessment of business viability and repayment capacity.

MANAGEMENT DISCUSSION AND ANALYSIS

Mortgage Loans

This are our fastest-growing product, with AUM concentration nearly doubling from 11.5% to 20.9% in a single year and disbursements rising 49% year-on-year. Secured by immovable property, these loans enable access to higher amounts and longer repayment tenors, making them well-suited for purchasing machinery or livestock, refinancing existing debt, or funding business expansion. The longer tenor nature of mortgage loans brings stability to our AUM and enhances long-term profitability. A key strategic lever is the upsell pathway – existing hypothecation loan customers with strong repayment histories are eligible to graduate to mortgage loans, deepening customer lifetime value at low origination cost.

'Saral' Property Loans (SPL)

This segment address a specific gap in the market: customers who own property but may not hold a clear title sufficient to create a formal mortgage charge. Rather than excluding such borrowers, this product provides a workable solution – securing the loan through a combination of property collateral and a hypothecation contract covering working assets, finished goods, and machinery. This dual-collateral structure enables credit access for entrepreneurs who would otherwise be shut out of formal lending channels.

Shakti Loans

These are purpose-built to bridge the funding gap faced by women micro-entrepreneurs, particularly those operating in the services and job work sectors. Women-owned micro-enterprises play a meaningful role in the economy yet frequently encounter systemic barriers to formal credit. Shakti Loans address this by providing timely and adequate financing, empowering women entrepreneurs to grow their businesses and realise their full potential – extending Aye Finance's broader financial inclusion mission to one of the most underserved segments within the MSME landscape.

Growth initiatives and developments

Aye Finance's long-term competitive advantage rests on three structural moats that are difficult to replicate: its proprietary cluster-based underwriting methodology (operational since 2014 and now partly augmented by AI/ML models covering 32% of underwriting decisions), its phygital branch-and-field collection infrastructure spanning 571 branches across 18 states and 3 union territories, and the unit economics discipline required to profitably serve micro-ticket loans of ₹ 1–2 Lakh at scale. With 100% paperless loan origination, 96.84% of customers on NACH, and 84.14% of collections through digital modes, the technology backbone continues to drive efficiency across the loan lifecycle. The in-house data science capability - developed with the support of investor Google Capital – provides ongoing models for bounce forecasting, collection likelihood scoring, and repeat customer targeting, reinforcing both portfolio quality and cost efficiency.

Business Growth

Aye delivered healthy growth in its business. Assets Under Management increased by 27% year-on-year to ₹ 7,044 Crores, while disbursements grew by 20% to ₹ 5,169 Crores for the year ended March 31, 2026

Mortgage Loan Expansion

Mortgage loans are the most significant growth push – concentration jumped from 14.7% to 21.6% of AUM in just one year. The company deployed 1,020 dedicated staff in 180 branches for the Primary ML Channel, and an additional 100-person upsell team was deployed across 100 branches between Q2 and Q3FY26 to cross-sell mortgage loans to existing hypothecation loan customers.

Repeat Business Program

The repeat loan program uses machine learning models to identify low-risk existing customers, driving 52.6% of hypothecation loan AUM from repeat customers in Q4FY26, up from 47.1% a year ago. This significantly reduces origination costs. Tele-caller productivity reached ₹ 1.85 Crores per month in Q3FY26.

Technology & Digital Initiatives

Loan origination is fully paperless and in-house. Collections are 84.14% digital, with 96.84% of customers activated on NACH. Underwriting increasingly uses AI/ML scoring (32% of cases), complementing the proprietary cluster methodology. Bounce forecasting and collection likelihood models optimise field operations.

Geographic Deepening over Expansion

Rather than aggressive branch expansion, the company is deepening existing branch portfolios. Branches over 4 years old average ₹ 15 Crores AUM, 3x that of newer branches. 71% of the AUM growth between March 2025 and March 2026

came from Existing Branches and 29% came from repeat customers.

IPO & Capital

Aye Finance completed its IPO in February 2026, raising ₹ 672 Crores in primary capital (post expenses), significantly strengthening the balance sheet. CRAR stands at a healthy 31.45%.

Credit Quality Improvement

Four consecutive quarters of declining credit cost (from 6.19% in Q4FY25 to 4.3 in Q4FY26) reflect deliberate portfolio vintage management – 83% of the portfolio was originated after June 2024, post the industry's over-lending period. The restructured portfolio is negligible at just 0.13%.

OPPORTUNITY AND THREATS

Opportunities

1. Structural Credit Opportunity in Micro MSME

NBFC credit is expected to expand by ₹ 1.7–2.4 Trillion in FY2026, with cumulative AUM projected to cross ₹ 50 Lakh Crore by March 2027. A larger part of this growth will come from micro-MSME segment, which remains deeply underpenetrated by formal credit. NBFCs with a focussed micro-enterprise mandate, cluster-level understanding and collateral-free underwriting capabilities are best positioned to capture this long-term structural opportunity.

2. Technology and AI as a Competitive Differentiator

AI and machine learning are reshaping how lenders assess and serve micro borrowers – replacing the need for physical collateral with data signals from GST records, bank transactions, and digital payment histories. NBFCs that embed AI/ML across underwriting, collections, and portfolio monitoring stand to gain meaningful advantages in cost efficiency, risk accuracy, and the ability to extend credit deeper into underserved micro-enterprise clusters.

3. Bharat Expansion Unlocking the Next Borrower

The next wave of micro-MSME credit growth will come from Tier-2, Tier-3, and rural geographies - where the concentration of informal enterprises is highest and formal credit penetration remains low. Serving these borrowers requires vernacular interfaces, low-ticket loan structures, assisted onboarding journeys, and community-rooted distribution – capabilities that differentiate specialist micro-lenders from generic NBFC players.

4. Co-lending Partnerships Widening Reach

The co-lending market has grown 3x in two years, creating a powerful channel for NBFCs to scale micro-MSME disbursals without proportionate balance sheet stress. By combining bank capital with NBFC origination expertise and last-mile reach, co-lending enables deeper penetration into borrower segments that banks cannot serve directly – making it a strategic growth lever for focussed micro-enterprise lenders.

5. Post-Cycle Scaling with Improving Fundamentals

NBFCs that navigated the recent credit down-cycle with disciplined underwriting are now entering a favourable environment – GDP growth holding strong, interest rates easing, and asset quality improving across the sector. For micro-MSME lenders specifically, this convergence of macro stability, policy support, and formalisation-driven borrower expansion creates a rare window to scale responsibly and deepen financial inclusion impact.

Wright Research

Business Standard

Substack

Multibagg AI

Whalesbook

Threats

1. Funding Access, Liquidity & Delinquency Pressure

Micro MSMEs, lacking credit history and collateral, depend heavily on NBFCs and MFIs for audit Rising delinquencies in microfinance and unsecured lending have forced lenders to slash growth from a CAGR of 45% to 15–16%, resulting in tighter loan eligibility, smaller ticket sizes, and higher rates. Simultaneously, tightening bank funding to NBFCs further constricts the credit pipeline – pushing the most vulnerable micro borrowers back toward informal, costlier money lenders.

2. Effect of Geopolitical Upheavals in West Asia

Even without further escalation, the ongoing disturbances are likely to transmit shortages in oil and chemicals to the broader market. This could contribute to general inflationary pressure, which in turn may affect consumption trends. To sustain financial health, micro scale MSMEs will likely need to pass on these increased costs to their customers.

3. Regulatory Tightening & Uneven Growth Within MSMEs

Stricter RBI norms on borrower indebtedness, lending caps, and income verification disproportionately impact those micro enterprises that rely on MFI loans for day-to-day operations. Within the broader MSME ecosystem, growth is increasingly skewed toward larger, better-capitalised entities that can meet evolving compliance and documentation standards – widening the divide between micro enterprises and their small and medium counterparts.

4. Competition from Banks Crowding Out Micro Borrowers

Public sector banks have overtaken private banks in credit growth for the first time in 14 years, aggressively targeting the MSME segment with competitive pricing. However, micro enterprises – especially informal or semi-formal ones – frequently fail to meet bank documentation, turnover, and collateral thresholds.

5. Cybersecurity Risks – Digital Vulnerability of Micro Enterprises

Government-led digitisation – through Udyam, GeM, TReDS, and ONDC – is expanding micro enterprise exposure to cyber threats without a corresponding investment in safeguards. Unlike larger firms, micro businesses have no dedicated IT infrastructure or cybersecurity teams. With 71% of financial sector participants flagging cybersecurity as the most pressing challenge and India experiencing a major cyber-attack in early 2026, micro enterprises face acute risks of fraud, data theft, and digital payment disruptions.

6. Demand Slowdown & Thin Margin Vulnerability

Moderation in consumer lending and discretionary spending signals a broader softening of domestic demand. Micro enterprises – concentrated in retail, food, textiles, and local services – are among the first to absorb the impact, with razor-thin margins leaving virtually no buffer to weather revenue dips, input cost pressures, or working capital disruptions.

Business Standard

Wright Research

Multibagg AI

Operational Performance

FY2026 marked a year of gradual recovery for India's MSME sector, with business activity, cash flows and credit demand from micro enterprises strengthening as the year progressed, particularly in the second half. Against this backdrop, the Company scaled its core micro enterprise lending franchise while sharpening its focus on underwriting discipline, collections and capital efficiency. A defining event of the year was the Company's Initial Public Offering in February 2026, raising ₹ 710 Crores of primary capital to support its next phase of growth.

Growth was achieved with limited reliance on network expansion. The Company opened no new branches during the year, instead splitting 44 existing branches to improve span of control. Incremental AUM growth came primarily from deepening existing branch portfolios (71%) and repeat lending (29%), reflecting a mature, capital efficient operating model in which average AUM per branch rises with branch vintage.

The mortgage business continued calibrated expansion, with Q4FY26 disbursements of ₹ 258 Crores, up 5% YoY, through a dedicated Primary Channel of 180 branches and over 1,000 personnel. A dedicated upsell team across 100 branches converted eligible hypothecation loan customers into mortgage borrowers, supporting longer tenor, more stable AUM. The repeat lending programme, driven by data science models and tele calling

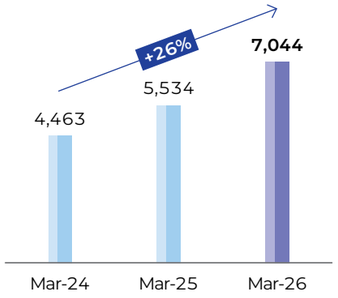
rather than field sales, contributed meaningfully to growth, with repeat loans accounting for over 52% of housing and mortgage linked AUM at year end at low origination cost.

Approximately, 89% of the portfolio has been originated after the period of elevated market over lending that affected the broader MSME and microfinance ecosystem, positioning it favourably for the next credit cycle. The Company's three tier collection architecture, comprising predictive digital models, an in house branch led field collection network and a specialised legal recovery team, continued to strengthen collection outcomes.

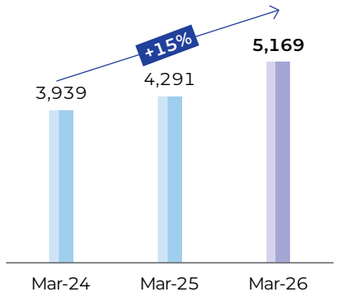
Technology and data science remained central to the Company's operating model. The Company maintained 100% paperless loan origination, fully in house underwriting and collections, and 100% cashless disbursements. AI/ML-based scorecards supported 32% of underwriting decisions, complemented by a proprietary cluster-based underwriting framework. Digital capabilities remained strong, with 95.7% of customers on NACH and 84% of collections received through digital channels, supported by an integrated technology ecosystem leveraging advanced analytics and external data.

KEY HIGHLIGHTS – FY2026

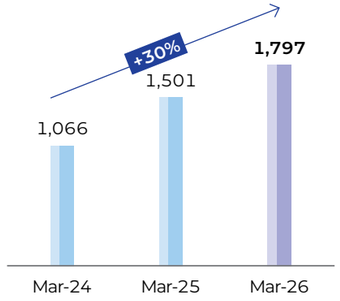
Assets Under Management
(₹ in Crores)



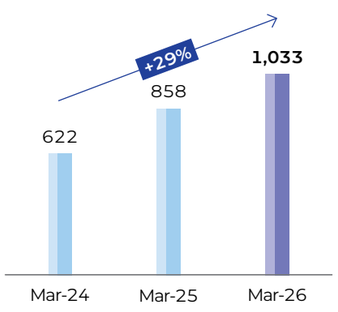
Disbursements
(₹ in Crores)



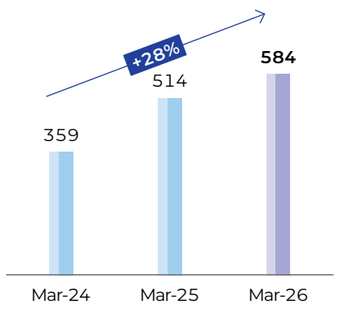
Gross Total Income
(₹ in Crores)



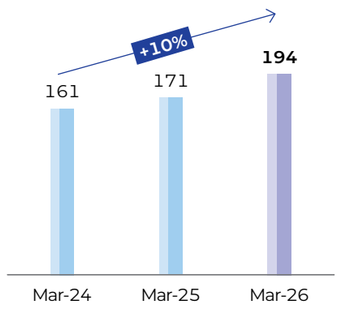
Net Interest Income
(₹ in Crores)



PPoP
(₹ in Crores)



Profit After Tax
(₹ in Crores)



FINANCIAL PERFORMANCE

Consolidated

(₹ in Crores)

Particulars	FY 2025-26	FY 2024-25	Variance %
Revenue from Operations	1,567	1,459.73	7.35
Other Income	230	45.26	408.17
Total Income	1,797	1,504.99	19.40
Total Expenditure	1,615.94	1,279.98	26.25
Employee Benefit Expense	494.75	379.64	30.32
Other Expense	158.31	117.73	34.47
PAT	194	171.27	13.27
Net Worth	2,533	1,658.35	52.74

Operating performance translated into strong financial growth during FY2026. Total Income increased 20% year-on-year to ₹ 1,797 Crores from ₹ 1,501 Crores in FY2025. Net Interest Income grew 20% to ₹ 1,033 Crores, supported by a favourable asset mix, although average yields moderated to 22.2% (FY2025: 23.7%) owing to competitive and portfolio seasoning effects. Pre-Provisioning Operating Profit (PPoP) increased 14% to ₹ 584 Crores, while Profit After Tax rose 13% to ₹ 194 Crores. Profitability accelerated during the second half of the year, with Q4FY26 Profit After Tax increasing 110% year-on-year to ₹ 86 Crores, representing the Company's strongest quarterly performance during the year.

The Company continued to invest in distribution capability, mortgage infrastructure and technology during FY2026, resulting in a cost-to-income ratio of 53.8% compared with 50.2% in FY2025. However, operating leverage began to emerge in the fourth quarter, with the ratio improving to 49.9% from 55.8% in Q3FY26. Return on Assets remained broadly stable at 2.8%, while Return on Equity moderated to 9.3%, reflecting the increase in shareholders' equity following the IPO.

The Company's balance sheet strengthened significantly during FY2026 following the successful IPO and ₹ 710 Crores of primary capital raised. Net worth increased to ₹ 2,533 Crores, Capital Adequacy Ratio improved to 42.2%, and leverage reduced to 2.06x. The borrowing profile remained well diversified across banks, financial institutions and development finance institutions, while the declining cost of borrowings is expected to support margin expansion going forward. The Company also maintained a strong liquidity position with no negative cumulative ALM mismatches across any tenor bucket, and the upgrade of its credit rating to 'A (Stable)' further enhanced funding access and financial flexibility.

Asset quality improved steadily through the year. Gross NPA stood at 4.8% as of March 31, 2026 (FY2025: 4.2%), and Net NPA at 1.8% (FY2025: 1.4%). PAR X improved to 6.9% from 7.1% a year earlier and from 8.0% in October 2025. Credit cost declined for the fifth consecutive quarter in Q4FY26, with Non-OD Collection Efficiency reaching a record 99.5% in March 2026 and Bucket 1 collection efficiency rising from 51.8% in October 2025 to 62.5% by year end.

STRATEGIC OUTLOOK

Aye Finance enters FY2027 from a position of meaningful operational recovery and strategic clarity, with multiple levers of growth, profitability improvement, and portfolio normalisation converging simultaneously. Management has reaffirmed a 3-year growth guidance of 28–33% CAGR, underpinned by a large and structurally underpenetrated target market of over 67 million unorganised micro-scale enterprises that remain overwhelmingly outside the formal credit system. Critically, AUM growth is not dependent on aggressive branch expansion - 60% of incremental AUM growth between December 2024 and December 2025 was driven by deepening existing branch portfolios, with repeat loans contributing 39% and new branches accounting for

just 1%. This capital-efficient growth model provides significant headroom for profitability improvement as operating leverage gradually kicks in.

A deliberate strategic shift toward mortgage loans is underway and gaining traction. Management targeting a stabilised mix of 30% mortgage and 70% hypothecation loans over the next three years. Mortgage loans bring longer tenure, greater AUM stability, and lower runoff rates compared to hypothecation loans – directly addressing the structural refinancing risk inherent in short-tenure micro-lending. As mortgage AUM per branch scales, the significant upfront investment in dedicated mortgage teams (over 1,400 personnel deployed since FY2024) will translate into material operating expense ratio improvement, driving profitability higher. The hypothecation book is expected to normalise approval rates from the current 40–43% back toward the historical 55% adding 8–10% incremental growth in the coming financial year.

Aye Finance believes its strengthened balance sheet following the February 2026 IPO, improving asset quality, disciplined underwriting, enhanced technology-driven credit assessment and expanded execution capabilities position it well for sustainable growth in FY2027 and beyond.

Asset quality improvement is the most significant near-term catalyst for profitability. Credit cost has declined for four consecutive quarters – from 6.19% in Q4FY25 to 4.30% in Q4FY26 and management is targeting a further reduction in FY2027 with a medium-term normalised range of 3.25–3.75%.

The recent IPO, provides a strengthened net worth base – well-positioned to support the targeted 30% AUM CAGR without near-term capital constraints.

Aye Finance is at an inflection point where the investments made in people, mortgage infrastructure, and technology over the past two years are beginning to translate into financial results. With credit costs trending toward normalisation, operating leverage building, borrowing costs declining, and a freshly capitalised balance sheet, the Company is well-positioned to deliver materially higher profitability in FY2027 and beyond – while continuing to serve a customer segment that remains structurally underserved and where competitive supply remains limited.

RISK MANAGEMENT AND MITIGATION

The organisation maintains a robust risk management framework to proactively identify, assess, and mitigate risks across its micro-enterprise financing operations. Internal audits, both scheduled and surprise cover lending practices, asset quality, and regulatory compliance across all branches. Risk oversight is strengthened through the ICAAP policy, third-party risk monitoring, and quarterly Key Risk Indicator (KRI) reviews, enabling timely corrective action. A Board-led governance structure, supported by specialised Risk Management, Audit, and Asset-Liability Committees, guides strategic decision-making. Co-lending arrangements, securitisation, and technology investments further reinforce portfolio quality, credit ratings, and funding stability ensuring the organisation remains financially resilient while advancing its mission of micro-enterprise financial inclusion.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Category	Nature of Risk	Approach to Risk Mitigation
Credit Risk	Risk of financial loss stemming from a deterioration in the repayment capacity or creditworthiness of borrowers.	· Underwriting practices anchored to industry cluster-based assessments · Thorough verification before loan disbursement and active portfolio surveillance post-disbursement · Leveraging AI and data analytics to strengthen credit assessment and decision-making
Portfolio Concentration Risk	Elevated credit exposure arising from an overreliance on a narrow set of industries, customer segments, geographic regions, or locations.	· Strategic diversification of the lending book across sectors and geographies · Periodic reassessment and recalibration of exposure thresholds by region and industry
Market & Strategic Risk	Risk to revenue and capital adequacy from an inability to respond swiftly or effectively to evolving market conditions or from flawed strategic decisions.	· Embedding a structured and disciplined strategic planning structure · Benchmarking against industry peers to sharpen competitive decision-making · Conducting regular strategy reviews with participation from senior leadership across business functions
Money Laundering Risk	Risk of the institution being exploited as a conduit for illicit financial activities including narcotics financing, terror funding, or other forms of financial crime.	· Risk-based client onboarding and ongoing assessment methodology · Real-time surveillance and monitoring of financial transactions · Stringent Know Your Customer (KYC) and customer due diligence protocols · Robust internal controls framework to detect and prevent financial misconduct · Documented backup and contingency procedures to ensure operational continuity
Operational Risk	Risks stemming from breakdowns in internal systems, processes, human error, or external disruptions that impair the continuity of business operations.	· Well-established fraud detection and prevention mechanisms · Appropriate insurance coverage across operational exposures · Clearly documented standard operating procedures to guide day-to-day functioning · Scheduled internal audits to assess and strengthen operational controls
IT & Cyber Risk	Exposure to threats arising from technology failures, unauthorised system access, data security breaches, or disruptions to critical IT infrastructure and services.	· Round-the-clock cybersecurity monitoring and threat surveillance · Defined crisis response and incident management protocols · Regular IT risk and vulnerability assessment exercises · Comprehensive business continuity and disaster recovery frameworks · Strict access control policies to safeguard sensitive systems and data
Compliance Risk	Risk of incurring legal or regulatory sanctions, financial penalties, or reputational harm as a result of failure to adhere to applicable laws, regulations, or industry standards.	· Active monitoring of evolving regulatory developments and compliance obligations · Enhancement of internal controls governing financial reporting and disclosures · Engagement of external compliance specialists and advisors for informed regulatory guidance

Risk Category	Nature of Risk	Approach to Risk Mitigation
Reputational Risk	Risk of negative perception forming among customers, regulators, investors, or the wider public that could erode institutional trust and stakeholder confidence.	· Staff training and awareness programmes anchored to Fair Practices Code · Structured grievance redressal mechanism to address customer concerns effectively · Dedicated and responsive customer service function · Oversight and monitoring of third-party and vendor interactions
Interest Rate Risk	Risk of an adverse impact on earnings and net interest margins arising from fluctuations in prevailing market interest rates.	· Proactive loan pricing strategy that factors in interest rate sensitivity and market movements at the time of setting customer rates
Liquidity Risk	Risk of being unable to honour financial commitments and obligations as and when they fall due, particularly under stressed market conditions.	· Board-sanctioned Asset-Liability Management (ALM) policy supported by active ALCO oversight · Maintenance of adequate liquidity buffers under both normal and stress-tested scenarios · Forward-looking forecasting of cash inflows, outflows, and funding requirements · Diversified liability profile structured to maintain a healthy ALM pattern

HUMAN RESOURCE

As of March 31, 2026, the Company employs 10, 894 personnel across its Head Office, regional offices, and branch network. The Company places significant value on its human capital and remains committed to providing its workforce with comprehensive support - both motivational and financial - to foster a culture of engagement and high performance. Throughout the year, the Company maintained a harmonious and productive relationship with its employees at all levels.

On the recognition front, the Company has been honoured with the 3rd rank in the Great Place to Work rankings, a distinction achieved for the 5th consecutive year among India's Top 10 Best Workplaces. This recognition reflects the Company's steadfast commitment to nurturing an inclusive, empowering, and people-first workplace culture. The Company expresses deep appreciation to its talented and dedicated workforce, whose collective efforts have made this achievement possible. This milestone is a testament to the shared resilience, collaborative spirit, and mutual support that define the organisation's ethos.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains an Internal Financial Controls (IFC) framework proportionate to its size, scale, and operational complexity, designed to ensure reliable financial reporting, business integrity, accurate accounting records, and effective fraud prevention.

To reinforce its control environment, the Company periodically commissions independent external assessments of its internal control systems. Outcomes and recommended improvements are reviewed by the Management and Audit Committee and implemented accordingly.

The internal audit function operates on a risk-based methodology, covering all key processes to maintain portfolio quality and proactive risk management. The Audit Committee – comprising Independent Directors – regularly reviews internal audit findings, compliance status, and control adequacy, and separately engages with Statutory Auditors on financial reporting standards and overall control effectiveness.

Information Systems Security controls provide an additional layer of oversight over technology-related risks, while supporting improved business efficiency and distribution. The Company continues to invest in IT infrastructure and backup systems to strengthen operational efficiency, customer service, and decision-making.

During the year under review, the Board found no evidence of any material breakdown in internal controls, procedures, or systems, and no significant changes were made to the IFC framework that have materially affected, or are likely to affect, the Company's internal financial controls.

CAUTIONARY STATEMENT

This discussion and analysis contain what we call 'forward-looking statements. These are the predictions or expectations about the future performance of the Company. These statements reflect the Company's current objectives, projections and estimates. They do not constitute guarantees of future performance. They remain subject to applicable laws and regulations and involve inherent uncertainties and risks. As a result, actual results may differ materially from those projected. This could be due to various factors that affect the Company's operations. These include competition in the industry, the cost of employing staff and significant changes in India's political and economic environment. Other factors include environmental standards, tax laws, legal disputes and labour relations. It is important to remember that these forward-looking statements do not guarantee future performance. They should not be relied upon too much. They involve both known and unknown risks and uncertainties. These could cause the actual performance and financial results in the future to be significantly different from the predictions. It is advised not to depend on these forward-looking statements. The Company will update them as required by securities laws but will not commit to updating them if circumstances change or if the estimates or opinions change. In conclusion, while these statements provide a glimpse into the Company's future, they are merely predictions and are subject to change. Therefore, they should be used with caution and not be the sole basis for any decision-making.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors ("**Board**") is pleased to present the 33rd (Thirty Third) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2026.

Aye Finance Limited ("**AFL**" or "**Company**") is a non-deposit accepting Non-Banking Finance Company – middle layer ("**NBFC-ML**") holding a Certificate of Registration from the Reserve Bank of India ("**RBI**") since 2014. The Company offers a range of business loans for working capital and business expansion needs, against hypothecation of working asset or against security of property to customers across manufacturing, trading, service and allied agriculture sectors.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	March 31, 2026	March 31, 2025
Revenue from operations	1,814.73	1459.73
Other income	48.51	45.26
Total revenue	**1863.24**	**1504.99**
Expenses		
Employee benefit expenses	494.75	379.64
Finance costs	534.07	468.00
Impairment on Financial Assets	335.73	288.83
Depreciation and amortization expenses	26.31	22.16
Net Loss on fair value changes	66.77	3.62
Other expenses	158.31	117.73
Total expenses	**1615.94**	**1279.98**
Profit before tax	**247.30**	**225.01**
Tax Expenses	53.67	53.74
Profit after tax	**193.63**	**171.27**
Other Comprehensive Income	(0.42)	(0.72)
Profit after tax (after OCI)	**193.21**	**170.55**
Earnings per share (equity share, par value of ₹ 2* each)	**2**	**2**
Basic (₹)	**9.73**	**9.29**
Diluted (₹)	**9.60**	**9.12**

*Note: The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards ("**Ind AS**") as notified under Sections 129 and 133 of the Companies Act, 2013 ("**Act**") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are presented as separate section of this Annual Report.*

OPERATIONS, RATINGS, FUND RAISE AND THE STATE OF COMPANY'S AFFAIR

Operational Highlights

- The Company earned total revenue of ₹ 1814.73 crores for the FY 2025-26 as compared to ₹ 1,459.73 crores for the FY 2024-25, registering an increase of 24.32%, as compared to the previous year.
- Profit before tax and after tax for FY 2025-26 stood at ₹ 247.30 crores and ₹ 193.63 crores respectively, as against ₹ 225.01 crores and ₹ 171.27 crores respectively, for the previous year.

Strong Capital and Liquidity Position

- The Company's Total Capital Adequacy stood at 42.24% with a Tier 1 of 42.24% against regulatory requirement of 15% and 10% respectively.
- The Company's Gearing was at 2.06 as at March 31, 2026.

- The Company's Liquidity Coverage Ratio (LCR) stood comfortably at 205.16% as at March 31, 2026 against a regulatory requirement of 100%.
- The company continues to hold a strong liquidity position with ₹ 767.58 crores as cash balance as at end of FY 2025-26.
- The Asset Liability Management (ALM) was comfortable with no negative cumulative mismatches across all time buckets.

Business Update

- The Company closed the year with a balance sheet size of ₹ 7,772.94 crores and total loan assets on books of ₹ 6,266.44 crores. *(As per **IndAS**, i.e., net of Impairments, Accruals, etc.)*

Assets Under Management (AUM)

- The Assets Under Management (**AUM**) stood at ₹ 7,043.80 crores as at March 31, 2026, as against ₹ 5,533.90 crores as at March 31, 2025, which is a growth of 27.28% YOY.

Network Expansion

- As on March 31, 2026, your Company 571 branches spread across 18 states and 3 Union Territories in India compared to 526 branches as on March 31, 2025.
- During the FY 2025-26: 2,06,254 new loans were disbursed.
- As on March 31, 2026, the Company has 10,346 active employees helping customers pursue their dreams.

Stable Asset Quality

- As on March 31, 2026 the Company had a strong provisioning pool of ₹ 273.30 crores, Gross Non-Performing Assets ("**GNPA**") amounted to ₹ 311.83 crores (4.77%) whereas Net Non-Performing Assets ("**NNPA**") amounted to ₹ 113.32 crores (1.79%).

OTHER MATERIAL EVENTS

Initial Public Offer (IPO) And Listing

On February 16, 2026, the equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited, post successful Initial Public Offer of ₹ 10,100 million of Equity shares of face value of ₹ 2 /- each consisting of fresh issue of ₹ 7,100 million and offer for sale of ₹ 3,000 million.

Date Particulars:-

Date:	Events:
February 6, 2026	Anchor Issue
February 9, 2026	Opening of Offer period
February 11, 2026	Closing of Offer period
February 12, 2026	Basis of Allotment
February 13, 2026	Credit of shares to demat account of eligible investors
February 16, 2026	Listing of equity shares

Your Company completed its IPO successfully with participation of several leading domestic and global institutional investors as well as NRIs, HNIs, FII and retail investors. The Board is gratified and humbled by the faith shown in the Company by its members. The Board also places on record its appreciation for the support provided by various Authorities, Book Running Lead Managers, Stock Exchanges, Depositories, Counsels, Consultants, Auditors and other intermediaries and employees of the Company for making the IPO of the Company a grand success. Your Directors wish to place on record gratitude for the trust, faith and confidence reposed by the institutional investors, public, and other Members in the Company.

Pursuant to Regulation 32(4) of the SEBI (Listing Obligation and Disclosure Requirements) 2015 ("**SEBI Listing Regulations**"), the Board confirms that no deviation or variation has occurred in the utilisation of proceeds from Initial Public Offer of Equity shares, vis-à-vis the objects stated in the placement document and the members' approvals. The Audit Committee & the Board reviewed the Monitoring Agency report(s) and noted utilisation strictly in line with the stated objects; accordingly, no explanation for variation falls due.

Credit Rating

The credit ratings of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2026 were assigned/reaffirmed in the following manner-

DIRECTORS' REPORT (CONTD.)

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Rating	Last review date
India Ratings and Research Private Limited	Bank Loan Facilities	IND A/Stable	08.07.2025
	Commercial Paper	IND A1	
	Non-Convertible Debentures	IND A/Stable	
ICRA Limited	Long Term Bank Loan	[ICRA] A (Stable)	12.11.2025
	Non-Convertible Debenture	[ICRA] A (Stable)	
Care Edge	External Commercial Borrowing	Care Edge B+/Positive	30.05.2025

Fund raised during FY 2025-26:-

The aggregate debt outstanding as on March 31, 2026 was ₹ 5,017.63 crores. Bank Finance remains an important source of funding for your Company. Banks continued their support to your Company. As of March 31, 2026, borrowings from Banks were ₹ 1,718.88 crores compared to ₹ 1,355.50 crores in the previous financial year.

The Company has been regular in servicing all its debt obligations.

COMPANY'S PROSPECTS, BUSINESS OVERVIEW AND FUTURE OUTLOOK

During the period under review, the Company continued to strengthen its presence in the Non-Banking Financial Services sector by maintaining a disciplined approach to credit, enhancing its technology capabilities, and expanding its customer base. The Company's portfolio remains well-diversified across various segments. The management remains committed to creating long-term stakeholder value through sustainable business practices, responsible lending, and a focus on inclusive growth.

A detailed aspect on the same has been elaborated upon in the Management Discussion and Analysis Report, which forms integral part of this Annual Report.

CHANGE IN NATURE OF BUSINESS

There has been no change in the existing nature of business and operations of the Company.

TRANSFER TO RESERVES

An amount of ₹ 38.73 crores, representing 20% of the Profit After Tax ("**PAT**") was transferred to statutory reserve/Reserve Fund of the Company pursuant to Section 45IC of the Reserve Bank of India Act, 1934. Further, an additional amount of ₹ 5.78 crores has been transferred to Share option outstanding account during the year under review.

DIVIDEND

To support the business growth, the Directors have not recommended any dividend on equity shares for the year ended March 31, 2026.

CAPITAL STRUCTURE

Authorised Share Capital

As on March 31, 2026, Authorised Share capital of the Company stood at ₹ 82 crores consisting of 41,00,00,000 equity shares having face value of ₹ 2/- each.

Paid-up Share Capital

As on March 31, 2026, Paid-up Share capital of the Company stood at ₹ 49,35,68,532/- consisting of 24,67,84,266 Equity Shares having face value of ₹ 2/- each. The entire Share Capital of the Company is in the dematerialised form.

During the year under review, Paid-up Share Capital of the Company was changed in the following manner-

- On November 26, 2025, the Company allotted 3,937 Equity Shares of ₹ 2/- each through ESOPs.
- On February 12, 2026, the Company allotted 55,038,759 Equity Shares of ₹ 2/- each through Initial Public Offer of its Equity Shares.

DEPOSITS

The Company has not accepted/received any deposit during the year under review falling within the ambit of Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

DIRECTORS' REPORT (CONTD.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis ("**MDA**") Report forms an integral part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintaining the high standards of corporate governance and is continuously striving to implement several best corporate governance practices.

In terms of Part C of Schedule – V of SEBI Listing Regulations, a report on Corporate Governance along with the certificate from M/s Barkha & Co. Company secretaries (Firm Registeration No. S2015DE352900), a peer reviewed firm confirming compliance of the conditions of Corporate Governance is forms part of this Annual Report as **Annexure – I**.

RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. We deploy an enterprise-wide risk management framework which is overseen by the senior management. This framework ensures compliance with risk policies, monitoring of risk tolerance limits, review and analysis of risk exposure related to specific issues and oversight of risk across the organization. The risks are systematically evaluated, reported, and monitored to safeguard the Company's sustainability and operational integrity.

The framework is supported by our Internal Capital Adequacy Assessment Process ("**ICAAP**") policy, third-party risk monitoring, and quarterly reviews of Key Risk Indicators ("**KRIs**"). These mechanisms allow us to continuously monitor and address key risks, ensuring that we take timely actions to keep risks within acceptable limits while making informed decisions aligned with our strategic objectives.

The Board of Directors has adopted a Risk Management Policy for the Company which provides for identification of key events and risks impacting the business objectives of the Company and attempts to develop strategies to ensure timely evaluation, reporting and monitoring of key business risks.

The risk management framework of the Company addresses various types of risks, including credit risk, portfolio concentration risk, market and strategic risk, operational risk, IT and cyber risk, compliance risk, reputational risk, interest rate risk, liquidity risk, and money laundering risk. To mitigate these risks, the Company employs several strategies. For credit risk, it analyzes customer creditworthiness and uses a structured underwriting process. Portfolio concentration risk is managed by diversifying investments across different industries and regions. Market and strategic risks are addressed through careful planning and regular performance reviews. Operational risks are mitigated by maintaining strong internal controls and conducting audits. IT and cyber risks are managed with robust cybersecurity measures and disaster recovery plans. Compliance risks are handled through continuous monitoring and updates to regulations. Reputational risks are minimized by adhering to fair practices and maintaining effective customer service. Interest rate risks are managed by appropriately pricing loan products, while liquidity risks are addressed by ensuring sufficient liquidity and planning funding needs. Finally, money laundering risks are mitigated through a risk-based approach and thorough transaction monitoring.

Pursuant to Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 the Company has a Risk Management Committee which is responsible for monitoring and reviewing the risk management plan & ensuring its effectiveness. The Risk Committee meets at least once in every quarter to assess and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the Board.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The board of directors is responsible for ensuring that the Company has implemented robust systems and a framework of internal financial controls, providing reasonable assurance regarding the adequacy and operating effectiveness of these controls in relation to reporting, operational, and compliance risks, as stipulated in Section 134(5)(e) of the Act. Your Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. Internal Financial Controls ("**IFC**") of the Company are also similarly commensurate. IFC has been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The Company also periodically engages external experts to carry out an independent review of the effectiveness of various Internal Controls. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

Your Company has in place strong internal audit processes and systems which design an audit plan to ensure optimum portfolio quality and keep risks at bay. The Internal Audit department takes care of internal control processes. There is a risk-based audit methodology covering all key processes of the Company, planned based on various risk-based parameters The Audit Committee of the Board of Directors, comprising of Independent Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company. Information System Security controls enable the Company to keep a check on technology-related risks and also improve business efficiency and distribution capabilities. Your Company is committed to invest in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

During the year under review and based on the information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred. Further, there have been no significant changes in our IFC during the year that have materially affected, or are reasonably likely to materially affect, our IFC.

MATERIAL EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting adversely the financial position of the Company, which have occurred between the end of the financial year of the Company, i.e. March 31, 2026 and the date of this report except specifically mentioned in this report.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2026, your Company had only 1 (one) Wholly Owned Subsidiary i.e. Foundation for Advancement of Micro Enterprises ("**FAME**"), incorporated under the Act as Section 8 Company. Further, there are no Associates or Joint Venture Companies within the meaning of Section 2(6) of the Act as on March 31, 2026.

Further, a statement containing salient features of the financial statements of the Subsidiary Company including therein the performance of subsidiary Company in Form AOC-1, which form part of this Report as **Annexure – II** pursuant to Section 129(3) of the Act and Rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, (CSR Rules), as amended from time to time, the Company has constituted a Corporate Social Responsibility Committee. The composition, function and details of meetings attended by the Committee Members are provided in the Corporate Governance Report which forms part of this Annual Report. The Board adopted the CSR Policy, as formulated and recommended by the CSR Committee, and the same is available on the website of the Company at https://dlryl1dmmgapd.cloudfront.net/footer/csr-policy-25july26-1785134677158-6t3um2.pdf

During the period under review, the Company has contributed ₹ 3.46 crore to Foundation for Advancement of Micro Enterprises (FAME), wholly owned subsidiary of the Company, which is a not-for-profit company, within the meaning of Section 8 of the Act and was incorporated in India on April 4, 2019. FAME carries out CSR activities under the direction and CSR Policy adopted by your Company in line with the Schedule VII of the Act. The Company primarily focuses on CSR projects or programs that include promoting and developing of - (a) livelihoods; (b) rural development; (c) skill development; & (d) the benefit of the socially weaker section of the society.

FAME is dedicated to building the capabilities of micro-entrepreneurs, promoting sustainable economic growth. FAME recognizes that micro entrepreneurs are the backbone of the economy and by empowering them, it strives to create a positive impact on society. Through skill development, training on manufacturing quality products, adoption of effective marketing techniques, and a focus on women empowerment, FAME is creating a sustainable, inclusive ecosystem that eliminates poverty and fosters economic growth at the grassroots level.

As per amended CSR Rules and CSR Policy of the Company, the funds required to be disbursed have been utilised for the purposes and in the manner as approved by the Board of Directors of the Company and confirmation to this effect have been received from Mr. Sovan Satyaprakash , Interim-Chief Financial Officer and Ms. Sheena Sakhuja, Officer in-charge for CSR in the Company and such confirmations have been duly noted by the Board in its meeting held on April 27, 2026.

Key initiatives under each thematic area and the Annual Report on CSR in compliance with Section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014, is annexed as **Annexure- III** to this Report.

AUDIT COMMITTEE

The Company has an Audit Committee duly constituted in accordance with the provisions of Section 177 of the Act, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025 and Regulation 18 of SEBI Listing Regulations. All the members of the Committee have expertise in finance and have sound knowledge of accounting and financial management. The terms of reference of the Audit Committee, as set out in Regulation 18 of SEBI Listing Regulations and Section 177 of the Act and other applicable laws, are approved by Board of Directors of the Company. The composition of the Audit Committee & brief description of terms of reference and the details of meetings attended by the Audit Committee members are provided in Corporate Governance Report which forms part of this Annual Report.

During the year under review, all the recommendations of the Audit Committee were duly accepted by the Board of Directors of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

i) in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed and there are no material departures;

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

iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) they have prepared the annual accounts for financial year ended March 31, 2026 on a going concern basis;

v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2026.

AUDITORS & AUDITORS' REPORT

Statutory Auditors & their reports

Pursuant to the guidelines issued by RBI on April 27, 2021 for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditor (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular No. RBI/2021-22/25 Ref. No DoS.CO.ARG/SEC.01/08.91.001/2021-22 ("**RBI Circular**"), the Company is required to appoint the Statutory Auditors for a continuous period of 3 (three) years subject to the audit firm satisfying the prescribed eligibility norms.

Our existing Auditor M/s S S Kothari Mehta & Co. LLP (formerly known as S S Kothari Mehta & Co.), Chartered Accountants, New Delhi, (Firm Registration No. 000756N/N500441) is eligible to continue as Auditors of the Company in terms of the aforesaid RBI Circular and applicable provisions of the Act, till 33rd Annual General Meeting ("**AGM**") (for FY 2025-26) subject to the applicable provisions from time to time.

The Auditors' Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer. Further, during the year under review, there were no instances of any fraud reported by the Statutory Auditor to the Board pursuant to Section 143 (12) of the Act.

The Board has placed on record its sincere appreciation for the services rendered by M/s S S Kothari Mehta & Co. LLP, Chartered Accountants, during their tenure as Statutory Auditors of the Company.

During the financial year 2026-27, on the recommendation of Audit Committee the Board of Directors at its meeting held on April 27, 2026, in accordance with the RBI Circular on Appointment of Statutory Auditors and provisions of Sections 139, 141 of the Act and such other applicable provisions, if any, has appointed M/s M S K A & Associates, LLP Chartered Accountants, (Firm Registration No. 105047W/W101187 as Statutory Auditors of the Company for a continuous period of 3 (three) years, from the conclusion of ensuing 33rd AGM till the conclusion of 36th AGM, subject to the approval of Members of the Company.

Secretarial Auditors & their Report:

In terms of Section 204 of the Act read with relevant Rules framed thereunder, the Company is required to appoint a Secretarial Auditors to carry out the secretarial audit of the Company.

Our existing Auditors M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration Number: P2001DE052900) a peer reviewed Firm, is eligible to continue as Secretarial Auditors of the Company in terms of Section 204 of the Act and Regulation 24A(1A) of SEBI Listing Regulation and other applicable provisions till 37th Annual General Meeting ("**AGM**") for FY 2029-30 subject to applicable provision, from time to time.

The Audit Committee in their meeting held on April 27, 2026 noted and confirmed the eligibility confirmation received from M/s Sanjay Grover & Associates in terms of the abovementioned applicable provision.

The Auditor's Report for the financial year 2025-26 is attached to this report in the prescribed Form MR-3, as **Annexure-IV** and Auditor's report is self-explanatory and requires no further comments or clarification from the Board.

Pursuant to Regulation 24A(2) of SEBI Listing Regulations, a report on secretarial compliance for FY 2025-26 has been issued by M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration Number: P2001DE052900) and the same has been submitted with the stock exchange within the prescribed timelines.

FRAUDS REPORTED BY AUDITORS

During the period under review, none of the auditors have reported any instances of material fraud in the Company by its officers or employees under Section 143(12) of the Act to the Audit Committee/ Board or Central Government.

3 minor instances of embezzlement of cash by employees were detected and reported to RBI. These aggregates to ₹ 0.28 Crore. In such cases, employees were terminated from their services and appropriate legal action has also initiated against such employees.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 11 (eleven) times during the year under review. Detailed information on these Board meetings as well as meetings of the Committees set up by the Board, their composition and attendance record of the members of respective Committees is included in the Report on Corporate Governance which forms integral part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Board of Directors

The Company's Board is an optimum mix of Executive, Non-Executive, Independent & Woman Directors and conforms to the provisions of the Act, SEBI Listing Regulations, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025 and other applicable statutory provisions.

- **Retirement by Rotation:**

  In terms of provisions of Section 152 of the Act and as per Articles of Association of the Company, Mr. Aditya Misra (DIN: 09376632), Non Executive and Non Independent Director of the Company who has been longest in office would be retiring by rotation at this AGM and being eligible offers himself for re-appointment. A brief profile and other relevant details of Mr. Aditya Misra as stipulated under Regulation 36(3) and other applicable provisions of the SEBI Listing Regulation and Secretarial Standard – 2 issued by the ICSI are furnished in the Notice of ensuing AGM, forming part of this Annual Report.

B. Key Managerial Personnel

As on March 31, 2026 following were the Key Managerial Personnel as per the provisions of the Act and other applicable provisions on the Company:

Sr. No.	Name of Key Managerial Personnel	Designation
1	Mr. Sanjay Sharma	Managing Director
2	Mr. Sovan Satyaprakash*	Interim-Chief Financial Officer
3	Mr. Vipul Sharma**	Company Secretary, Compliance Officer & Chief Compliance Officer

**Mr. Sovan Satyaprakash ceased to act as Interim-Chief Financial Officer w.e.f. April 27, 2026(EOD) and Mr. Gaurav Seth appointed as the Chief Financial Officer w.e.f. April 28, 2026.*

***Mr. Vipul Sharma resigned from the position of Company Secretary, Compliance Officer & Chief Compliance Officer w.e.f. June 12, 2026 (EOD).*

- **Changes in Key Managerial Personnel**

  The Board on recommendation of the Nomination & Remuneration Committee ("**NRC**") and Audit Committee approved the appointment of Mr. Sovan Satyaprakash as Interim-Chief Financial Officer (Key Managerial Personnel) effective from January 11, 2026, succeeding Mr. Krishan Gopal who served as Chief Financial Officer of the Company up to January 10, 2026. The Board Place on its record appreciation for the valuable contribution of Mr. Krishan Gopal in the sustained growth of the Company during his tenure.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors (IDs) have submitted their declaration of independence, as required pursuant to Section 149(7) of the Act, confirming that they meet the criteria of independence as provided in Section 149 (6) of the Act.

In the opinion of the Board of Directors, there has been no change in the circumstances which may affect their status as Independent Directors of the Company. Further, in terms of Section 150(6) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

FIT AND PROPER AND NON-DISQUALIFICATION DECLARATION BY DIRECTORS

The Company has adopted a 'Policy on Fit and Proper Criteria for Board of Directors' for ascertaining the 'Fit and Proper' criteria to be obtained at the time of appointment of directors and on a continuing basis. All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025, and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act.

COMPLIANCE WITH RBI GUIDELINES

The Company has complied with all the regulations of RBI to the extent applicable as a NBFC-ICC and as Middle Layer NBFC.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India and such systems are adequate and operating effectively.

POLICIES

- ### VIGIL MECHANISM/WHISTLE BLOWER

The Company is committed to conducting business with integrity, and high standards of business and personal ethics, and complying with all the applicable laws and regulations, and has put in place a mechanism for reporting illegal or unethical behaviour.

The Company has a Whistle-Blower Policy (Vigil Mechanism) which is also available at https://dlryl1dmmgapd.cloudfront.net/footer/whistle-blower-policy-27july26-1785134547440-3rf3i5.pdf under which the employees / officers or directors are encouraged to report *inter alia* fraudulent practices, bribery, illegal or unethical behaviour without fear of any retaliation which is in compliance with the provisions of Sections 177(9) & (10) of the Act and Regulation 22 of SEBI Listing Regulations. The Policy provides adequate safeguard against victimization to the Whistle Blower and enables them to raise concerns and provides an option of direct access to the Chairman of Audit Committee. During the period under review, none of the personnel have been denied access to the Chairman of the Audit Committee.

During the period under review, no complaint was received by the Company under the vigil mechanism.

- ### NOMINATION AND REMUNERATION POLICY

In order to set our principals, parameters and governance framework of the remuneration for Directors, Manging Director, Key Managerial Personnels and employees of the Company and in terms of Section 178 of the Act, Regulation 19 of SEBI Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025, as amended from time to time, your Company has in place Nomination and Remuneration Policy which contains appointment, reappointment, removal and remuneration including criteria for determining qualifications, independence of a Director, positive attributes of Director, Key Managerial Personnels & Senior Management Personnel.

The Nomination and Remuneration Policy is also available on the Company's website at https://dlryl1dmmgapd.cloudfront.net/footer/aye-nomination-and-remuneration-policy-21-05-2025-1783409257830-wj8aog.pdf.

During the year under review, the Nomination and Remuneration Committee was reconstituted by the Board of Directors on December 31, 2025, with the induction of Mr. Aditya Misra as a member. The composition of the Committee, its terms of reference, and the details of meetings attended by the members are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

DETAILS OF SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the period under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

However, Members' attention is drawn to the statement on contingent liabilities, commitments as disclosed in the Notes to the Financial Statements for the FY 2025-26.

COST RECORDS AND COST AUDIT

During the period under review, maintenance of cost records and requirement of Cost Audit as specified by the Central Government under sub-section (1) of Section 148 of the Act are not applicable on the Company.

HUMAN RESOURCES

As on March 31, 2026, the Company had 10,346 active employees across its branches, regional office and Head office. The Company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The Company enjoyed excellent relationship with workers and staff throughout the year.

We are elated to announce our prestigious ranking as the 7th Great Place to Work! This marks the 6th consecutive time we have been ranked amongst the top 10 best places to work in India. This accolade underscores our unwavering dedication to cultivating an inspiring and supportive workplace culture. Heartfelt gratitude to our extraordinary team for making this distinguished achievement a reality! We, as a team, have achieved success, stayed positive, and found new ways to support each other in previously unimaginable ways.

DIRECTORS' REPORT (CONTD.)

ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

(A) Conservation of Energy: (i) the steps taken or impact on conservation of energy: (ii) the steps taken by the Company for utilizing alternate sources of energy: (iii) the capital investment on energy conservation equipment's:	The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce the consumption of energy. In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipment. Your Company, being engaged in financing business within the Country, does not have any activity relating to conservation of energy. The Directors, therefore, have nothing to report on investment in equipment for conservation of energy.
(B) Technology Absorption: (i) the efforts made towards technology absorption: (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): (iv) the expenditure incurred on Research and Development:	The Company has implemented Lead Management, Loan Origination, Collection Management, ERP and Data Warehouse systems. With the systems in place, the Company has achieved seamless flow of data across various systems, making information flow faster, more robust and reliable. Your Company, being engaged in financing business within the Country, does not have any activity relating to technology absorption and import of technology. The Directors, therefore, have nothing to report on Technology absorption. Considering the nature of services and businesses, no specific amount of expenditure is earmarked for research & development.
(C) Foreign Exchange Earnings and Outgo	The Foreign Exchange earnings and Foreign Exchange outgo during the year under review are as below:

Particulars	Amount (₹ in crores)	Purpose
Foreign Exchange Earnings	Nil	NA
Foreign Exchange Outgo	69.07	Outward remittance towards borrowings

There was no unhedged foreign currency exposure in the Company as on March 31, 2026.

EMPLOYEE STOCK OPTION PLAN

On the recommendation of NRC & Board of Directors, the members of the Company through Postal ballot has approved the ratification & amendment in Employee Stock Option Plan 2020 (**ESOP 2020**) and Employee Stock Option Plan 2024 (**ESOP 2024**). The NRC admitted all the Employee Stock Option Plan (**ESOP**) formulated by the Company.

The ESOP 2020 and ESOP 2024 after the aforesaid ratification and amendment are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 ('**SBEB Regulations**').

The Company also has Aye Finance Employee Stock Option Plan 2016 (**ESOP 2016**) which is being implemented through trust route, and the equity shares to be transferred under ESOP 2016 are existing listed equity shares held by the Aye Finance Employee Welfare Trust.

A certificate from the Secretarial Auditor with respect to implementation of Company's ESOP 2020 and ESOP 2024 in accordance with these regulations and in accordance with the resolution of the Company through Postal ballot, will be available for inspection by the members, at the ensuing AGM.

Details of ESOP disclosure pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and the provisions of Section 62 of the Act read with rules framed thereunder as on March 31, 2026 are appended below:

DIRECTORS' REPORT (CONTD.)

Sr. No.	Particulars	ESOP 2016	ESOP 2020	ESOP 2024
1.	Options granted as on March 31, 2026	30,89,690	54,14,975	29,61,922
2.	Options vested during the year	33,280	16,15,601	6,83,054
3.	Options exercised as on March 31, 2026	4,91,798	26,133	2,087
4.	The total number of shares arising as a result of exercise of option	4,91,798	26,133	2,087
5.	Options lapsed/Surrendered	0	2,60,989	4,45,259
6.	The exercise price (In ₹)	5.80	123.17	140.00
7.	Variation of terms of options	NA	NA	NA
8.	Money realized by exercise of options	28,52,428	32,18,906	2,92,180
9.	Total number of options in force	10,65,627	41,17,299	24,99,576
10.	Details of options granted to:			
	(i) Key Managerial Personnel			
	• Options Granted:	52,565	5,07,625	4,26,257
	• Options Vested:	0	3,24,064	49,542
	• Options lapsed/Surrendered:	1,606	1,65,716	3,37,251
	• Total number of options in force	0	3,41,909	89,006
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NA	NA	4,16,750
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NA	NA	NA

Disclosures pertaining to employee stock options as required under SBEB Regulations are placed on the website of the Company at https://www.ayefin.com/.

PERFORMANCE EVALUATION

The Board of Directors, along with its committees and independent directors, is dedicated to efficient functioning and improved corporate governance. This commitment is evident in their ongoing performance evaluations.

In line with the Act and SEBI listing regulations, the Board, excluding independent directors, conducted an annual performance evaluation through circulation, gathering input from all Directors. The assessment focused on the Board's composition, effectiveness, and the quality of information and communication.

The performance of Board Committees was also evaluated based on feedback from committee members, considering their composition, meeting effectiveness, and overall functioning. Individual Directors were assessed on their contributions, preparedness, and ability to present views, with the Chairperson's performance evaluated as well.

On March 27, 2026, the Independent Directors met without the presence of other directors or Management to review the performance of Non-Independent Directors, the Board, and the Chairperson. They assessed the quality and timeliness of information flow between Management and the Board, expressing satisfaction with the overall performance and effectiveness.

DIRECTORS' REPORT (CONTD.)

The Independent Directors actively participated in Board and Committee meetings, and the Chairperson of the Audit Committee held a separate meeting with credit rating agency, ensuring transparency and accountability within the organization.

Outcome: The Board of the Company was satisfied with the functioning of the Board and its Committees. Non-Executive Directors and Independent Directors demonstrate a strong understanding of the Company and its requirements.

The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by applicable laws, important issues are brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors in their individual capacities. The Board has full faith in the Chairperson leading the Board effectively and ensuring effective participation and contribution from all the Board Members.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management & Administration) Rules, 2014, copy of Annual Return for the financial year ended March 31, 2026 is available on the website of the Company at https://www.ayefin.com/financial-statements

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

Since, the Company is Non-Banking Financial Company registered with RBI, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Act read with rules made thereunder, as amended. Further, the details of investments made by the Company are given in the Notes to the Financial Statements for the FY 2025-26.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The ratio of remuneration of each Director to the median remuneration of employees of the Company for the FY 2025-26:

Sr. No.	Director/KMP Name	Designation	Ratio to Median Remuneration of employees of the Company for FY 2025 -26
1.	Mr. Sanjay Sharma	Managing Director	65:1

II. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the FY 2025-26:

Sr. No.	Name of KMP	Designation	% increase in Remuneration during FY 2025-26
1.	Mr. Sanjay Sharma	Managing Director	16%
2.	Mr. Krishan Gopal*	Chief Financial Officer	8%
3.	Mr. Sovan Satyaprakash**	Interim Chief Financial Officer	16%
4.	Mr. Vipul Sharma	Company Secretary, Compliance Officer & Chief Compliance Officer	30%

** Till January 10, 2026 (EOD)*

*** From January 11, 2026 to till March 31, 2026*

III. The percentage increase in the median remuneration of employees in the financial year: 8.44%

DIRECTORS' REPORT (CONTD.)

IV. As on March 31, 2026 the number of permanent employees on the rolls of company: 10,346

V. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average increase in the remuneration of employees other than Managerial personnel during FY 2025-26 was **8.50%** and the average increase in the remuneration of Managerial personnel was **14.63%**.

VI. The remuneration paid as stated above was as per the Remuneration Policy of the Company.

VII. In terms of second proviso to Section 136 of the Act, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the members. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office/Corporate Office of your Company or at the email address at secretarial@ayefin.com.

PARTICULARS OF RELATED PARTY TRANSACTIONS

The Company has Related Party Transaction Policy and Policy on Determining Materiality of Related Party Transactions ("**RPT Policy**") duly approved by the Board. The Policy provides a framework for identification of related parties, necessary approvals by the Audit Committee/ Board or members, reporting and disclosure requirements in compliance with the requirements of the Act and SEBI Listing Regulations. During the year under review, the Company has revised its RPT Policy, in accordance with the amendments to applicable provisions of the Act/Listing Regulations.

All transactions entered by the Company during the year under review with related parties were on arms' length basis and in the ordinary course of business as per the RPT Policy of the Company and in compliance with the provisions of the Act and SEBI Listing Regulations.

During the year under review, your Company has not entered into any contracts/arrangement/transaction with related parties which could be considered material in accordance with Regulations 23 & 62K of the SEBI Listing Regulations, to the extent applicable and the RPT Policy of the Company. The RPT Policy may be accessed on the website of the Company and the web-link of the same is https://dlryl1dmmgapd.cloudfront.net/footer/related-party-transaction-policy-and-policy-on-det-1778495008028-909n85.pdf.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Notes to the Financial Statements of the Company.

The Company in terms of Regulations 23 & 62K of the SEBI Listing Regulations, to the extent applicable, regularly submits within the prescribed time from the date of publication of its financial results for the half year, disclosures of related party transactions in the format specified, to the stock exchange(s).

Since all transactions entered by the Company during the financial year with related parties were on arms' length basis and in the ordinary course of business, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

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

Your Company has always believed in providing a safe and harassment-free workplace for every individual working on the company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on the prevention of sexual harassment in the workplace. The policy aims at the prevention of harassment of employees and lays down the guidelines for identification, reporting, and prevention of sexual harassment.

DIRECTORS' REPORT (CONTD.)

There are 4 zonal Internal Committees (ICs) which are responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. During the year ended March 31, 2026, there was 1 compliant pertaining to sexual harassment reported to the Committee and disclosure as per requirement is given below:

(a) number of complaints of sexual harassment received in the year: 1

(b) number of complaints disposed off during the year: 1

(c) number of cases pending for more than ninety days: 0

OTHER DISCLOSURES

- There are no details required to be reported with regards to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.
- The Company has neither filed any application nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review, hence no disclosure is required under this section.
- The Company has not issued any sweat equity shares or equity shares with differential voting rights during the year under review.
- During the year under review, debentures of the Company were not suspended from trading on account of any corporate action or otherwise.
- During the year under review, no amount has remained unclaimed pursuant to debentures redeemed during the year.
- The Company affirm its commitment to full compliance with the provisions of the Maternity Benefit Act, 1961. Our Company is dedicated to ensuring that all eligible female employees receive the maternity benefits stipulated by the Act, which includes paid maternity leave, medical allowances, and comprehensive workplace support.

ACKNOWLEDGEMENT

Your Board of Directors wishes to place on record their sincere appreciation for the continued support and cooperation received from customers, vendors, shareholders, bankers, other stakeholders various regulatory & government authorities. The Board places on record its appreciation of the contribution made by employees at all levels. The Company's resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of Board of Directors of
Aye Finance Limited
(Formerly known as Aye Finance Private Limited)

Sd/-
Govinda Rajulu Chintala
(Chairperson and Independent Director)
DIN: 03622371
Place: Hyderabad

Sd/-
Sanjay Sharma
(Managing Director)
DIN: 03337545
Place: Gurugram

Date: July 22, 2026

ANNEXURE-I
CORPORATE GOVERNANCE REPORT

Our Company is dedicated to upholding the highest standards of corporate governance. We believe that transparency, accountability, and ethical decision-making are the cornerstones of sustainable success. Guided by our Board of Directors and reinforced through robust policies, we ensure compliance with regulatory frameworks while fostering trust among shareholders, employees, customers, and the wider community. By integrating governance with our long-term strategy, we remain committed to protecting stakeholders interest and driving responsible growth.

This Report outlines the requirements of the Companies Act, 2013, **(**the **"Act"),** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **("SEBI Listing Regulations")** and Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 ("**RBI Master Directions**") [including any statutory amendment(s), enactment(s) or re-enactment(s) thereof for the time being in force], as applicable to the Company.

A. AYE'S PHILOSOPHY ON CODE OF GOVERNANCE

Guided by Company's mission - "To provide innovative and customer centred financial services to micro and small businesses through knowledgeable team, effective technology and robust processes to power their growth into the new-age India", management remains steadfast in optimizing value for all stakeholders. At Aye, we view sound corporate governance not merely as a regulatory requirement but as the foundational pillar for driving institutional efficiency, sustainable growth and long-term success.

Our governance philosophy is anchored on five core principles:

- **Conscience**: Acting with unwavering integrity and the highest ethical standards in all our dealings.
- **Openness**: Embracing transparency and fostering clear, proactive communication.
- **Fairness**: Treating all stakeholders with equitable respect, equity and dignity.
- **Professionalism**: Upholding the highest standards of expertise, diligence and operational excellence.
- **Accountability**: Establishing clear ownership and responsibility for our actions and strategic decisions.

By consistently transcending regulatory compliance, we aim to anchor deep stakeholder trust, fortify financial stability and elevate our market reputation to drive sustainable, long-term growth.

B. BOARD OF DIRECTORS

The Company is a professionally managed and has no identifiable promoter under the Act or other applicable regulations; it operates under the overall guidance and strategic oversight of the Board of Directors. We firmly believe that an informed, engaged and well-functioning Board is fundamental to sound corporate governance.

Our Board comprises a distinguished mix of Independent and Non-Independent Directors including Women Independent Directors, each bringing extensive professional expertise and diverse perspectives. This balanced composition ensures independence of judgment and enables the Board to effectively separate its governance responsibilities from the day-to-day management of the Company. The Directors are fully cognizant of their dual role providing constructive insights on matters presented by management while diligently discharging their fiduciary duties to safeguard the interests of all stakeholders.

The Board's responsibilities include, inter alia, the formulation of long-term corporate strategy, review of major business plans, establishment of performance objectives and adoption of a Code of Conduct for Directors and senior management. Through these responsibilities, the Board reinforces its commitment to integrity, accountability and sustainable value creation team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the stakeholders, the community and the environment. Through their collective wisdom and experience, they provide guidance to the management team, offering valuable insights and oversight to steer the organization towards sustainable growth.

The Board of the Company is governed and constituted in accordance with the applicable provisions of the Act and the rules made thereunder, SEBI Listing Regulations, RBI Master Directions, the Articles of Association of the Company and other circulars & guidelines issued by the Regulators from time to time, in accordance with the best practices in corporate governance.

i) Composition of the Board

As of March 31, 2026, the Board of Directors comprised 7 (seven) members, of whom 1 (one) is Executive Director, 5 (five) are Non-Executive Independent Directors (including 2 (two) women Directors) and 1 (one) Non-Executive, Non-Independent Director. This balanced structure underscores the Company's commitment to diversity and robust oversight, effectively separating governance from day-to-day management to safeguard all stakeholder interests.

The Chairperson of the board of directors is a non-executive director, hence the Company remains in full compliance with SEBI Listing Regulations, ensuring independent oversight, strategic guidance and the protection of all stakeholder interests.

ii) Summary of Attendance of Directors in the Board Meetings for Financial Year 2025-26 and last Annual General Meeting

During the Financial Year ended March 31, 2026, the Board met **11 (Eleven)** times.

The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days), as stipulated under Section 173 of the Act, Regulation 17(2) of the SEBI Listing Regulations and Secretarial Standard - 1 issued by the Institute of Company Secretaries of India ("**ICSI**"). As per the applicable laws, minimum 4 (four) Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business. In case of any exigency/ emergency, resolutions were also passed by circulation. For the resolution to be approved through circulation, all the requisite inputs/ documents etc., were circulated over the respective emails of the Directors or Members which assisted the Board or Committee to take an informed decision. Further, the resolutions approved through circulation were taken on record by the Board in the next Board Meeting.

The dates for the Board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the Directors or Committee Members at least seven days in advance from the date of Board Meeting and Committee Meetings. During the year under review, few meetings was convened with shorter notice due to exigencies regulatory filings and time-sensitive matters relating to the Company's Initial Public Offering (IPO) as per the consent of all Board/Committee Members.

CORPORATE GOVERNANCE REPORT (CONTD.)

Attendance records of Directors for FY 2025-26: -

Name of the Directors	DIN	Director Since	Board Meetings held during the Financial Year – 2025-26											Last AGM held on September 26, 2025
			May 21, 2025	July 31, 2025	September 11, 2025	November 10, 2025	November 30, 2025	January 10, 2026	January 16, 2026	January 30, 2026	February 3, 2026	February 11, 2026	March 6, 2026	
Executive Director														
Mr. Sanjay Sharma	03337545	November 27, 2013	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director														
Dr. Govinda Rajulu Chintala, Chairperson of the Board	03622371	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Kanika Tandon Bhal	06944916	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sanjaya Gupta	02939128	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vinay Baijal	07516339	August 16, 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Padmaja Nair	06841868	October 17, 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Non – Executive Non-Independent Directors														
Mr. Aditya Misra (Representing IMP2 Assets Pte. Ltd. as Equity Investor)	09376632	September 28, 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

iii) Change in the composition of the Board during the FY 2025-26: No change in the Composition of Board of Directors has taken place during the FY 2025-26.

iv) Number of Directorship/ Committee positions of Directors as on March 31, 2026 (including the Company)

Sr. No.	Name of the Director	No. of Directorships (including Aye Finance)	Directorship in other listed Companies and category of Directorship	Directorship			Committee Positions* (Audit & Stakeholders Relationship Committee)	
				Equity Listed	Unlisted Public	Private Limited	Chairperson	Member (incl. as Chairperson)
1.	Dr. Govinda Rajulu Chintala	6	Kaveri Seed Company Ltd. (Independent Director)	2	3	1	2	2
2.	Ms. Kanika Tandon Bhal	3	NA	1	2	-	-	-
3.	Ms. Padmaja Nair	2	NA	1	-	1	-	-
4.	Mr. Sanjaya Gupta	2	NA	1	-	1	-	2
5.	Mr. Sanjay Sharma	2	NA	1	1	-	-	1
6.	Mr. Vinay Baijal	6	NA	1	-	5	-	1
7.	Mr. Aditya Misra	3	NA	1	-	2	-	1

** For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, High Value Debt Listed Entity have been included; whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded.*

CORPORATE GOVERNANCE REPORT (CONTD.)

v) None of the Directors of the Company are related to each other.

vi) None of the Non- Executive Director held any shares and convertible instruments in the Company.

vii) Familiarisation Programme

On an ongoing basis, the Company endeavours to keep the Independent Directors informed with matters relating to the industry, operations, business model of the Company and regulatory landscape & amendments etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details of the familiarisation programme of the Independent Directors are available on the website of https://dlryl1dmmgapd.cloudfront.net/footer/familarization-programme-05-06-2026-1780904717569-h53c3n.pdf

The Independent Directors have been made aware of their respective roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

viii) Core Skills/ expertise/ competence of the Board of Directors:

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. A brief profile of Directors is available on the website of the Company at https://www.ayefin.com/team.

The table below outlines the respective areas of expertise and focus of individual Board Members as of March 31, 2026 in context of business of the Company. It should be noted that the absence of an indication against a member's name does not imply that the member lacks the relevant qualification or skill:

	Areas of Expertise				
Name of Director	Management & Leadership	Financing & Investment	Regulatory, Compliance & Governance	Information Technology	Strategy & Planning
Dr. Govinda Rajulu Chintala	✓	✓	✓	✓	✓
Mr. Sanjaya Gupta	✓	✓	✓	✓	✓
Mr. Sanjay Sharma	✓	✓	✓	✓	✓
Ms. Kanika Tandon Bhal	✓	×	✓	×	✓
Ms. Padmaja Nair	✓	✓	✓	×	✓
Mr. Vinay Baijal	✓	✓	✓	✓	✓
Mr. Aditya Misra	✓	✓	✓	✓	✓

ix) Confirmation regarding Independence of Independent Directors

During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Act and Regulations 16(1)(b) & 25(8) of the SEBI Listing Regulations and confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the above confirmation, Board is of opinion that the Independent Directors continues to meet the criteria of independence as specified in the Act, SEBI Listing Regulations and RBI Master Directions and are Independent to the Management of the Company. The terms and conditions of appointment of independent directors are available on the website of the Company at https://dlryl1dmmgapd.cloudfront.net/footer/T-C-of-Appointment-of-Independent-Directors.pdf

x) Independent Directors' Meeting

In accordance with the requirement of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, during the FY 2025-26, a separate Meeting of the Independent Directors was held, without the presence of Non-Independent Directors and member of the management, on March 27, 2026 to discuss and review the following:

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairperson of the Company, considering the views of Executive and Non-Executive Directors; and
- Quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present in the meeting.

xi) None of the Independent Director had resigned from the Board of the Company during the FY 2025-26.

C. COMMITTEES OF THE BOARD

The Board of Directors has established various committees in compliance with the provisions of the Act, SEBI Listing Regulations, RBI Master Directions and other applicable directions, circulars and notifications issued by the RBI from time to time. These committees are entrusted with specific areas of responsibility and are empowered to take informed decisions and provide recommendations to the Board within their defined mandates. All decisions and recommendations of the committees are placed before the Board either for its information or for formal approval, as appropriate. Functioning under their respective charters, the committees act as delegated arms of the Board. Their performance against agreed targets and directives is periodically reviewed, with corrective measures or adjustments implemented as necessary. The minutes of all committee meetings are circulated to the Board for discussion and noting.

The composition and operations of these committees adhere to the applicable provisions of the Act, SEBI Listing Regulations, RBI Master Directions and other relevant directions, circulars and notifications issued by the RBI, as applicable to the Company.

As on March 31, 2026, the following Committees of the Board were in operation:

1. Audit Committee
2. Risk Management Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Nomination and Remuneration Committee
6. Asset and Liabilities Committee
7. IT Strategy Committee
8. Initial Public Offering ("**IPO**") Committee
9. Working Committee of Asset and Liabilities Committee ("**WALCO**"); and
10. Securities Allotment Committeex

1. Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations, Section 177 of the Act and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

The Audit Committee *inter-alia* oversees the financial reporting process and reviews financial statements with Management to ensure their accuracy and credibility. It holds the ultimate authority and responsibility to select and evaluate Independent Auditors in accordance with applicable laws. Additionally, the Committee reviews the performance of Statutory and Internal Auditors, the adequacy of internal control systems and the whistle-blower mechanism.

The Members of the Audit Committee are financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

a) Brief Description of terms of reference

The Audit Committee is empowered to assist the Board of Directors in overseeing the Company's financial reporting and compliance obligations. To discharge these duties effectively, the Committee is vested with the authority to investigate any matter within its scope, request information from employees, secure independent legal or professional advice, and unrestricted access to all company records.

The Committee's role encompasses:

i) Recommending auditor appointments and terms of appointment including fees.

ii) Overseeing the financial reporting process and the disclosure of its financial information to ensure accuracy and compliance.

iii) Reviewing financial statements including quarterly financial results and auditor's report.

iv) Monitoring auditor independence and performance.

v) Scrutinising related party transactions and inter-corporate loans.

vi) Evaluating internal controls and risk management systems.

vii) discussion with internal auditors of any significant findings and follow up there on.

viii) Ensuring compliance with legal and regulatory requirements.

ix) Conducting internal investigations and overseeing whistleblower mechanisms.

x) Approving the appointment of Chief Financial Officer and reviewing significant financial transactions.

xi) Reviewing, with management, the statement of utilization of funds raised through various issues (public, rights, preferential, or QIP) and identifying any deviations from the purposes stated in the offer document. This includes reviewing the monitoring agency's report and making appropriate recommendations to the Board for necessary corrective action.

The Audit Committee also reviews management discussions, management letter issued by statutory auditor, internal audit reports and deviations in financial statements, ensuring robust governance and accountability within the organisation.

b) Composition, Meetings and Attendance

During the Financial Year 2025-26, the Audit Committee met 10 (ten) times on May 21, 2025, July 31, 2025, September 11, 2025, November 10, 2025, November 30, 2025, January 10, 2026, January 16, 2026, February 3, 2026, February 11, 2026 and March 6, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Dr. Govinda Rajulu Chintala	Chairperson (Independent Director)	10	10	10	100
Mr. Sanjaya Gupta	Member (Independent Director)	10	10	10	100
Mr. Vinay Baijal	Member (Independent Director	10	10	9	90
Mr. Aditya Misra	Member (Non-Executive, Non-Independent Director)	10	10	10	100

The Company Secretary acted as the Secretary to the Audit Committee.

2. Risk Management Committee

The Risk Management Committee ("**RMC**") of the Company has been constituted in line with the provisions of Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

The Company employs a robust risk management framework, overseen by the RMC and the Board of Directors. The RMC proactively manages business risks by monitoring and reviewing risk strategies, overseeing critical risk categories, enacting strategic mitigation plans and framing, implementing, monitoring the risk management policy for the Company including cyber security.

Pursuant to Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025, the Company had appointed Ms. Nancy Gupta as Chief Risk Officer of the Company effective from July 13, 2024 who is involved in the process of identification, measurement and mitigation of risks and other roles and responsibilities as stipulated therein.

a) Brief Description of terms of reference

The RMC is responsible for reviewing, assessing and formulating the Company's risk management system and policy. Key functions includes:

i) Identifying internal and external risks, including financial, operational, ESG, and cybersecurity risks.

ii) Establishing risk mitigation measures and a business continuity plan.

iii) Ensuring effective methodologies and systems for risk monitoring and evaluation.

iv) Overseeing the implementation and adequacy of the risk management policy, with periodic reviews.

v) Approving processes for risk identification, mitigation and determining risk tolerance levels.

vi) Monitoring compliance with the risk structure and assessing risk exposure.

vii) Assisting the Board in risk governance and keeping them informed of discussions and recommendations.

viii) Reviewing the Chief Risk Officer's appointment and remuneration.

ix) Implementing cybersecurity policies and reviewing risks in new business plans.

x) Coordinating with other committees and monitoring business continuity updates.

The Committee also performs any additional functions as directed by the Board or required by applicable laws.

b) Composition, Meetings and Attendance

During the year under review, RMC met 4 (four) times on June 2, 2025, September 4, 2025, November 27, 2025 and March 13, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjaya Gupta	Chairperson (Independent Director)	4	4	3	75
Dr. Govinda Rajulu Chintala	Member (Independent Director)	4	4	4	100
Mr. Vinay Baijal	Member (Independent Director)	4	4	4	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	4	4	4	100

Board of Directors in their meeting held on April 27, 2026 had re-constituted the RMC by inducted Ms. Padmaja Nair, Independent Director & Mr. Aditya Misra, Non-Executive & Non-Independent Director as Members & Mr. Vinay Baijal, Independent Director ceased to act as a Member.

The Company Secretary acted as the Secretary to the RMC.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ("**SRC**") of the Company has been constituted in line with the provisions of Section 178(5) of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

Grievances relating to stakeholders/investors may also be forwarded to the Company Secretary & Compliance Officer of the Company at secretarial@ayefin.com.

a) Brief Description of terms of reference

The SRC *inter-alia* oversees and redresses stakeholders/investor grievances, with its primary mandate derived from Part D of Schedule II of the SEBI Listing Regulations. The Committee actively monitors and resolves complaints regarding share transfers, transmissions, non-receipt of annual reports or dividends, duplicate certificate issuance, and matters concerning general meetings. Additionally, its oversight extends to corporate debt compliance including the creation of charges, interest and principal payments, security cover maintenance, and covenant adherence. Finally, the SRC ensures investor empowerment and service quality by reviewing measures for effective voting rights and monitoring the service standards of the Registrar and Share Transfer Agent.

b) Composition, Meetings and Attendance

During the year under review, SRC met 2 (two) times on May 15, 2025 and December 9, 2025, of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Dr. Govinda Rajulu Chintala	Chairperson (Independent Director)	2	2	2	100
Mr. Sanjaya Gupta	Member (Independent Director)	2	2	2	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	2	2	2	100

Board of Directors in their meeting held on April 27, 2026 had re-constituted the SRC by inducted Ms. Kanika Tandon Bhal, Independent Director, as a Member.

The Company Secretary acted as the Secretary to the SRC.

c) Investor complaints redressal

During the FY ended March 31, 2026, Mr. Vipul Sharma, Company Secretary acts as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. The Company has appointed Kfin Technologies Limited (KFIN) as Registrar to an Issue and Share Transfer Agent (RTA) for the Equity Shares and Non-Convertible Debentures (NCD) issued by the Company. Both the Company and RTA have adequate systems to ensure provision of proper service to the Shareholders and NCD holders in accordance with applicable laws.

Details of Investors complaints during FY 2025-26:

No. of Complaints outstanding at the beginning of the year	Nil
No. of Complaints received during the year	Nil
No. of Complaints not solved to the satisfaction of investor	Nil
No. of Complaints resolved during the year	Nil
No. of Complaints pending at the end of the year	Nil

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee **("CSR Committee")** of the Company has been constituted in accordance with the provisions of Section 135 of the Act and the rules made thereunder to undertake activities as prescribed under Schedule VII of the Act, with powers, *inter-alia*, to make contributions to various corporate foundation or other reputed non-governmental organisation according to its Board approved Corporate Social Responsibility Policy **("CSR Policy")** of the Company.

a) Brief Description of terms of reference

The CSR Committee is responsible for formulation and review of CSR Policy annually and seek approval from the Board of Directors, formulation of and sharing the CSR annual action plan along with annual budget with the Board of Directors, monitor the utilisation of the allocated amount on CSR activities and create a transparent monitoring mechanism of CSR initiatives, submit periodic reports (once in six months at the minimum) to the Board for the activities undertaken and monitor the impact created by the Company through its CSR initiatives. It implements CSR activities through its wholly-owned subsidiary, a Section 8 Company, Foundation for Advancement of Micro Enterprises (FAME) or other permitted means, as approved by the Board of Directors.

b) Composition, Meetings and Attendance

During the year under review, the CSR Committee met 2 (two) times on May 15, 2025 and December 9, 2025, of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Ms. Kanika Tandon Bhal	Chairperson (Independent Director)	2	2	2	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	2	2	2	100
Ms. Padmaja Nair	Member (Independent Director)	2	2	2	100

The Company Secretary acted as the Secretary to the CSR Committee.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee **("NRC")** of the Company has been constituted in line with the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

The NRC lays down the criteria for identifying the persons to be appointed as directors or appointed as part of Senior Management and ensures/determines fit and proper attributes/qualifications of proposed/existing Directors. The NRC under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director on the Board, including the Executive and Independent Directors.

a) Brief Description of terms of reference

The NRC is tasked with formulating criteria for director qualifications and independence, recommending a remuneration policy for directors, key managerial personnel & senior management personnel and evaluating the performance of independent directors and the Board. It identifies suitable candidates for directorships, ensures Board diversity and analyses human resource matters. The NRC also determines executive directors' remuneration packages, administers employee stock option plans and ensures compliance with securities laws. Additionally, it performs any other functions as mandated by the Board or applicable regulations.

b) Composition, Meetings and Attendance

During the year under review, NRC met 7 (seven) times on May 16, 2025, June 27, 2025, July 16, 2025, August 20, 2025, October 21, 2025, January 10, 2026 and January 29, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of Meetings	Entitled to attend	Attended	
Ms. Kanika Tandon Bhal	Chairperson (Independent Director)	7	7	7	100
Mr. Sanjaya Gupta	Member (Independent Director)	7	7	7	100
Mr. Vinay Baijal	Member (Independent Director)	7	7	6	85.71
Mr. Aditya Misra*	Member (Non-Executive, Non-Independent Director)	7	2	1	50

**Inducted as a Member w.e.f. December 31, 2025*

Board of Directors in their meeting held on April 27, 2026 had re-constituted the NRC by inducted Ms. Padmaja Nair, Independent Director as a Member & Mr. Sanjaya Gupta, Independent Director, ceased to act as a Member.

The Company Secretary acted as the Secretary to the NRC.

c) Criteria for Performance Evaluation of Directors

The Annual Performance Evaluation of the directors (including Chairperson), Committees and the Board as a whole was carried out in compliance with the requirement of the Act, as per SEBI Listing Regulations and Guidance Note on Board Evaluation issued by SEBI. The criteria, manner of performance evaluation and related details are given in the Directors' Report.

6. Asset and Liabilities Committee

The Asset and Liabilities Committee **("ALCO")** of the Company has been constituted in accordance with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025.

The function of ALCO is to manage the Liquidity Risk, formulate liquidity risk management policy, strategies and practices, addressing concerns regarding asset liability mismatches, Institute robust Management Information System to manage and monitor liquidity risks, define & monitor Internal Controls.

a) Brief Description of terms of reference

The ALCO is responsible for periodically reviewing key policies related to capital, asset/liability management, investments, funding, pricing and recommending final versions for Board approval while monitoring compliance.

Additionally, the ALCO reviews capital structure plans, asset and liability mixes, term loan requirements, amending the investment policy as needed. Furthermore, the ALCO may form and delegate authority to its working committee as and when appropriate.

b) Composition, Meetings and Attendance

During the year under review, ALCO met 4 (four) times on June 2, 2025, August 6, 2025, November 20, 2025, and March 20, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of Meetings	Entitled to attend	Attended	
Mr. Sanjay Sharma	Chairperson (Managing Director)	4	4	4	100
Mr. Vinay Baijal	Member (Independent Director)	4	4	4	100
Mr. Aditya Misra	Member (Non-Executive & Non-Independent Director)	4	4	4	100
Mr. Niraj Kumar Kaushik	Member (Deputy CEO)	4	4	3	75
Mr. Krishan Gopal*	Member (Chief Financial Officer)	4	3	3	100
Ms. Nancy Gupta	Member (Chief Risk Officer)	4	4	4	100
Mr. Piyush Maheshwari	Member (Head of Credit & Field Operations)	4	4	2	50
Mr. Sovan Satyaprakash**	Member (Interim Chief Financial Officer)	4	1	0	0
Mr. Gaurav Seth**	Member, (Head of Investor Relations)	4	1	1	100

***Mr. Krishan Gopal ceased as member with effect from January 10, 2026 (EOD).*

***Mr. Sovan Satyaprakash and Mr. Gaurav Seth inducted as members with effect from January 16, 2026.*

The Company Secretary acted as the Secretary to the ALCO.

7. IT Strategy Committee

The IT Strategy Committee ("**ITSC**") of the Company has been constituted in terms of the provisions of Reserve Bank of India Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023.

ITSC shall be responsible for overall evaluation, providing direction and monitoring of the IT Governance Framework.

a) Brief Description of terms of reference

The ITSC is responsible for approving IT strategy and policy documents, ensuring alignment with business objectives and guiding/ overseeing the preparation of the IT strategy or process. It assesses and manages IT and cybersecurity risks, data governance, conduct periodic comprehensive risk assessment of the IT systems, ensures budget allocations are appropriate for the Company's IT maturity, threat environment and reviews the effectiveness of Business Continuity Planning and Disaster Recovery Management annually. Additionally, the ITSC reviews and amends IT strategies in line with corporate strategies, balances IT investments with associated risks and monitors Cyber Security KPIs and RBI compliance.

b) Composition, Meetings and Attendance

During the FY 2025-26, the Committee met 4 (four) times on June 20, 2025, August 20, 2025, December 10, 2025 and March 2, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjaya Gupta	Chairperson (Independent Director)	4	4	2	50
Mr. Vinay Baijal	Member (Independent Director)	4	4	4	100
Mr. Sanjay Sharma	Member (Managing Director)	4	4	4	100
Mr. Jinu Joseph	Member (Chief Technology Officer)	4	4	4	100
Mr. Krishan Gopal*	Member (Chief Financial Officer)	4	3	3	100
Ms. Nancy Gupta	Member (Chief Risk Officer)	4	4	2	50
Mr. Niraj Kumar Kaushik	Member (Deputy CEO)	4	4	3	75
Mr. Ujual George	Member (Chief Operating Officer)	4	4	3	75
Mr. Piyush Maheshwari	Member (Head of Credit & Field Operations)	4	4	1	25
Mr. Sovan Satyaprakash**	Member (Interim Chief Financial Officer)	4	1	1	100
Mr. Gaurav Seth**	Member (Head of Investor Relations)	4	1	1	100
Mr. Deepak Prajapati	Member (Acting CISO)	4	1	1	100

***Mr. Krishan Gopal ceased as member with effect from January 10, 2026 (EOD).*

***Mr. Sovan Satyaprakash and Mr. Gaurav Seth inducted as members with effect from January 16, 2026*

The Company Secretary acted as the Secretary to the ITSC.

8. INITIAL PUBLIC OFFERING ("IPO") COMMITTEE

The IPO Committee was constituted by the Board of Directors in their meeting held on December 11, 2024, to take all decisions and approve, negotiate, finalize and carry out all activities relating to the IPO.

a) Brief Description of terms of reference

The IPO Committee deliberated on matters pertaining to the Company's proposed public offering and ensured that all decisions were taken in accordance with applicable regulatory requirements and governance practices.

b) Composition, Meetings and Attendance

During the FY 2025-26, the IPO Committee met 2 (two) times on February 6, 2026 & February 12, 2026 of which the details of attendance are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of Meetings	Entitled to attend	Attended	
Dr. Govinda Rajulu Chintala	Chairperson (Independent Director)	2	2	2	100
Mr. Sanjaya Gupta	Member (Independent Director)	2	2	2	100
Mr. Vinay Baijal	Member (Independent Director)	2	2	2	100
Mr. Sanjay Sharma	Member (Managing Director)	2	2	1	50
Mr. Aditya Misra	Member (Non-Executive and non-Independent Director)	2	2	2	100

The Company Secretary acted as the Secretary to the IPO Committee.

Since the objectives of the IPO Committee have been successfully achieved, the Board of Directors has dissolved the IPO Committee effective from April 21, 2026.

9. WORKING COMMITTEE OF ASSET AND LIABILITIES COMMITTEE ("WALCO")

The WALCO broadly consider, review and approve routine matters of the Company which includes but not limited to evaluation and approval of various proposals for borrowings, issue of securities and investments etc. in ordinary course of business within the limits authorised by the Board/shareholder. Moreover, the Committee also consider and approve various banking operations for smooth functioning and other general purposes of the Company as may be authorised/ delegated by the Board/ Committee from time to time.

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During the FY 2025-26, the Committee met 39 times. The details of attendance and the composition of WALCO as on March 31, 2026 are given below:

Name of Member	Designation	No. of meetings held during the FY 2025-26			% of Attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjay Sharma	Chairperson (Managing Director)	39	39	38	97.4
Mr. Niraj Kumar Kaushik	Member (Deputy CEO)	39	39	35	89.7
Mr. Krishan Gopal*	Member (Chief Financial Officer)	39	32	30	93.75
Mr. Aman Chauhan	Member (Head-Treasury	39	39	35	89.7
Mr. Pradeep Kumar Soni	Member (Finance Controller)	39	39	34	87.1
Mr. Gaurav Seth**	Member (Head of Investor Relations)	39	6	6	100
Mr. Sovan Satyaprakash**	Member (Interim Chief Financial Officer)	39	6	6	100

**Mr. Krishan Gopal ceased as member with effect from January 10, 2026 (EOD).*

***Mr. Sovan Satyaprakash and Mr. Gaurav Seth inducted as members with effect from January 19, 2026.*

The Company Secretary acted as the secretary to the WALCO. The WALCO of the Company has been constituted in line with the provisions of Section 179(3) of the Act.

10. SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee ("**SAC**") was constituted by the Board of Directors to oversee and approval the allotment of non-convertible securities issued the Company.

Followings are the members of the SAC as on March 31, 2026:

Name of the Member	Designation
Mr. Sanjay Sharma	Chairperson, Managing Director
Ms. Padmaja Nair	Member, Independent Director
Mr. Aditya Misra	Member, Non-Executive & Non-Independent Director
Mr. Niraj Kumar Kaushik	Member, Deputy Chief Executive Director
Mr. Krishan Gopal*	Member, Chief Financial Officer
Mr. Sovan Satyaprakash **	Member, Interim Chief Financial Officer
Mr. Gaurav Seth**	Member, Head of Investor Relations

**Mr. Krishan Gopal ceased as member with effect from January 10, 2026 (EOD).*

***Mr. Sovan Satyaprakash & Mr. Gaurav Seth inducted as members with effect from January 16, 2026.*

D. SENIOR MANAGEMENT PERSONNEL

The Board of Directors, based on the recommendation of NRC, has identified group of Senior Management Personnels ('**SMPs**'), in accordance with Regulation 16(1)(d) of SEBI Listing Regulations and Section 178 of the Act.

As on March 31, 2026, the following officials are categorised as SMPs of the Company:

Sr. No.	Name of SMP	Designation
1.	Mr. Sanjay Sharma	Managing Director, Executive Director
2.	Mr. Niraj Kumar Kaushik	Deputy CEO
3.	Mr. Ujual George	Chief Operating Officer
4.	Mr. Jinu Jospeh	Chief Technology Officer
5.	Mr. Vipul Sharma*	Company Secretary, Compliance Officer & Chief Compliance Officer
6.	Ms. Nancy Gupta	Chief Risk Officer
7.	Mr. Sovan Satyaprakash#	Interim Chief Financial Officer
8.	Mr. Ankur Sharma^	Head of Human Resources
9.	Mr. Tejamoy Ghosh	Head of Data Science & Artificial Intelligence
10.	Mr. Piyush Maheshwari**	Head of Credit & Field Operations
11.	Mr. Akash Damodar Purswani^^	Head of Collection
12.	Mr. Kapil Goyal	Head of Internal Audit & Vigilance

**Mr. Vipul Sharma has resigned from the position of Company Secretary, Compliance Officer & Chief Compliance Officer & subsequently ceased as SMP of the Company effective from June 12, 2026 (EOD).*

Note: *(i) During the FY25-26, Mr. Krishan Gopal resigned from the position of Chief Financial Officer effective from January 10, 2026 (EOD) & his cessation as SMP of the Company was effective from January 16, 2026 (EOD).*

(ii) Board of Directors, on the recommendation of NRC & Audit Committee, in their meeting held on April 27, 2026 had approved the appointment of Mr. Gaurav Seth, Chief Financial Officer of the Company. Consequent to his appointment, Mr. Gaurav Seth is also categorized as a SMP of the Company.

*** Redesignate as Chief Credit & Operations Officer with effect from April 1, 2026*

 # Redesignate as Chief of Strategy & Investor Relations with effect from April 1, 2026

^ Redesignate as Chief Human Resource Officer with effect from April 1, 2026

^^ Redesignate as Chief Collection Officer with effect from April 1, 2026

E. REMUNERATION TO DIRECTORS

i) During the FY 2025-26, the Company had no financial relationships or transactions with any Non-Executive Independent Directors, except for sitting fees paid for attending Board and Committee meetings.

ii) Criteria of making payments to non-executive directors

Non-Executive Directors play a crucial role in corporate governance by providing independent oversight and strategic guidance. They are not involved in the Company's day-to-day operations, which allows them to offer an objective perspective on the executive team's decisions. Their responsibilities include scrutinising the Company's performance, ensuring adherence to ethical and legal standards and contributing their expertise to the board's strategic planning. Essentially, they act as a vital check and balance, safeguarding the interests of shareholders and other stakeholders.

The criteria of making payments to Non–Executive Directors is well defined in the Nomination, Remuneration & Compensation Policy of the Company which is hosted on Company's website and can be accessed at https://dlryl1dmmgapd.cloudfront.net/footer/aye-nomination-and-remuneration-policy-21-05-2025-1783409257830-wj8aog.pdf.

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iii) Remuneration paid to Directors

A) Details of payment to Executive Director

The disclosure in respect of remuneration paid to Managing Director of the Company for the FY 25-26 given below:

(in ₹ Crore)

Particulars	Mr. Sanjay Sharma Managing Director
Salary	3.24
Provident Fund	0.19
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	0.47
Bonus (Performance linked incentives)	0.71
Total	4.61

Particulars	Mr. Sanjay Sharma Managing Director
Present period of agreement for remuneration/ appointment	July 5, 2024 to July 4, 2029

Appointment of Managing Director is contractual and is terminable on 90 days' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to Managing Director.

A suitable component of remuneration payable to the Managing Director is linked to his individual performance as well as business performance of the Company.

During the FY 25-26, the Company paid only the sitting fees to all the Non-Executive Independent Directors within the ceiling of ₹ 1 Lakh per meeting as prescribed under the Act and the rules made thereunder.

B) Detail of payments made to Non-Executive Independent Directors towards sitting fee during the FY 2025-26 is as under:

(Amount in ₹ Crore)

Sr. No.	Name of the Independent Directors	Sitting Fee
1.	Dr. Govinda Rajulu Chintala	0.18
2.	Ms. Kanika Tandon Bhal	0.11
3.	Ms. Padmaja Nair	0.09
4.	Mr. Sanjaya Gupta	0.17
5.	Mr. Vinay Baijal	0.18
Total		**0.73**

As on March 31, 2026, the Company has no stock option plans for any of its directors including Managing Director/Executive Directors.

C) Payment to Non-Executive and Non-Independent Director: Nil

F. GENERAL BODY MEETINGS

i) The details of the Annual General Meetings ("AGM") held in the last three years are as follows:

Financial Year	Location	Date	Time	Subject matter of Special Resolutions passed
2024-25	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 26, 2025	3:00 P.M. (IST)	1. To approve increase in the Borrowing Limit of the Company from ₹ 7,000 Crores to ₹ 8,000 Crores under Section 180(1)(c) of the Companies Act, 2013. 2. To approve creation of charges on the Assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure Borrowings made/ to be made by the Company under Section 180(1)(c) of the Companies Act, 2013. 3. To approve issuance of Non-Convertible Debentures in one or more tranches on private placement basis
2023-24	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 27, 2024	4:00 P.M.(IST)	1. To increase the Borrowing Limit of the Company from ₹ 4,000 Crore to ₹ 7,000 Crore under Section 180(1)(c) of the Companies Act, 2013 2. Creation of charges on the Movable and/or Immovable Properties of the Company, both present and future, under Section 180(1)(a) of the Companies Act, 2013 in respect of Borrowings of the Company 3. Issuance of Non-Convertible Debentures in one or more tranches on private placement basis
2022-23	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 29, 2023	4:00 P.M.(IST)	1. To consider, discuss and approve the blanket borrowing limit of ₹ 4,000 Crores (Indian Rupees Four Thousand Crores only) 2 To consider, discuss and approve the issuance of Non-Convertible Debentures amounting upto ₹ 3,000 Crores (Indian Rupees Three Thousand Crores only)

All the resolutions moved at the last three AGMs were passed by the requisite majority of the Members.

During the FY 25-26, no resolutions have been passed through postal ballot. Further, there was no proposal to transact any business that requires the passing of resolution through postal ballot.

Procedure for Postal Ballot: The Company will follow the procedures laid down under the relevant provisions of the Act read with relevant rules made thereunder and the provisions of SEBI Listing Regulations as and when there is any proposal for passing resolutions by Postal Ballot.

ii) The details of the Extra-Ordinary General Meeting ("EGM") held during the FY 2025-26 are as follows:

Location	Date	Time	Subject matter of resolution passed
Meeting conducted through VC / OAVM pursuant to the MCA Circulars	January 30, 2026	5:30 P.M. (IST)	1. Approval for amendment in the Aye Finance Employee Stock Option Plan 2020 2. Approval for amendment in the Aye Finance Employee Stock Option Plan 2024 3. Approval for discontinuation of further transfers of lapsed options from ESOP 2016 to ESOP 2020 4. Approval for extension the benefits of 'Aye Finance Limited Employee Stock Option Plan 2024' to the eligible employees of Foundation for Advancement of Micro Enterprises, wholly-owned subsidiary

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G. Means of Communications

Pursuant to Regulations 46 and 62 of SEBI Listing Regulations, the Company maintains a functional website viz https://www.ayefin.com/. A dedicated "**Investor Relations**" section provides comprehensive information, including business details, financial results, shareholding patterns, corporate governance compliance, notices, annual reports, and corporate announcements. It also contains the contact details of the designated officials who are responsible for assisting and handling investor grievances etc.

The quarterly/half yearly/annual financial results are published in Financial Express (a national English daily) & Jansatta (a vernacular daily). These financial results, Investor presentations and all material updates/ developments are simultaneously disclosed to the Stock Exchanges at http://www.bseindia.com and http://www.nseindia.com and uploaded over the Company's website.

The Company regularly conducts meetings with institutional investors and analysts. The schedules, investor presentations, audio recordings and transcripts of these meetings are submitted to the Stock Exchanges and simultaneously uploaded to the Company's website. Official press releases are also disseminated on the website.

H. GENERAL SHAREHOLDER INFORMATION

(i) Ensuing 33rd Annual General Meeting (AGM):

Day, Date and Time	Tuesday, September 1, 2026 at 11:30 A.M (IST)
Venue	Through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**")

(ii) Financial Year: The Company follows the Financial Year starting from April 1 to March 31 every year.

(iii) Dividend Payment: To expand the business line of the Company, the Directors have not recommended any dividend on equity shares for the year ended March 31, 2026.

(iv) Name and address of the Stock Exchanges at which the Company's securities are listed:

- **Equity Shares**

As on March 31, 2026, the Equity Shares of the Company are listed on following Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: **544699**	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: **AYE**

- **Privately Placed Non- Convertible Debentures**

The Company has issued privately placed Non-Convertible Debentures, which are listed on Wholesale Debt Market Segment of BSE Limited at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, Maharashtra.

- **Privately Placed Non- Convertible USD Denominated Bonds**

The Company has also issued privately placed Non-Convertible USD denominated Bonds, which are listed on India International Exchange (IFSC) Ltd at 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar-382355, Gujarat.

The Annual listing fee has been paid by the Company to the respective Stock Exchanges.

- **Details of suspension of securities from trading-**

Nil

CORPORATE GOVERNANCE REPORT (CONTD.)

(v) Registrar to an issue and Share Transfer Agent:

Sr. No.	Name of Security	Registrar & Transfer Agent
1.	Equity Shares	**KFin Technologies Limited ('Kfin')** (formerly known as KFin Technologies Private Limited) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Website: - www.kfintech.com E- mail: - unlservices@kfintech.com SEBI Reg No. - INR000000221
2.	Non-Convertible Debentures	
3.	Non-Convertible USD Denominated Bonds	**India International Depository IFSC Limited** Unit No. 310, Hiranandani Signature, GIFT SEZ, Gift City, Gandhinagar – 382355 Website: https://www.iidi.co.in/

(vi) Share Transfer System

The entire equity share capital of the Company is held in dematerialised form. The Company's shares are traded on BSE Limited and National Stock Exchange of India Limited and available for dematerialisation with both the depositories i.e. National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"). The shareholders can hold the Company's shares with any depository participant, registered with the aforementioned depositories.

(vii) Shareholding

A) Distribution of Shareholding as on March 31, 2026:

Sr. No.	Category (Shares)	No. of Members	% to total Members	No. of Shares held	% to total Capital
1.	1-5000	25,441	99.05	39,82,329	1.62
2.	5001-10000	93	0.36	3,60,668	0.15
3.	10001-20000	43	0.17	3,31,719	0.13
4.	20001-30000	12	0.04	1,53,788	0.06
5.	30001-40000	12	0.05	2,08,660	0.08
6.	40001-50000	5	0.02	1,14,730	0.05
7.	50001-100000	11	0.04	4,20,950	0.17
8.	100001 & Above	70	0.27	24,12,11,422	97.74
Total		**25,687**	**100**	**24,67,84,266**	**100**

B) Shareholding Pattern as on March 31, 2026

Sr. No.	Category	Number of Fully Paid up Equity Shares	% of Shareholding
A.	**Promoters and Promoter Group**	**0**	**0.00**
B.	**Public**		
	Institutions (Domestic)	4,53,95,741	18.39
	Institutions (Foreign)	4,60,47,218	18.66
	Non-Institutions	15,30,55,918	62.02
C.	**Non-Promoter Non-Public**		
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	22,85,389	0.93
	Total	**24,67,84,266**	**100**

CORPORATE GOVERNANCE REPORT (CONTD.)

(viii) Dematerialization of Shares and Liquidity

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares is **INE501X01029**.

As on March 31, 2026, 100% of the Equity Shares of the Company representing 24,67,84,266 Equity Shares were held in dematerialized form.

(ix) Outstanding Global Depository Receipts ("GDRs") /American Depository Receipts ("ADRs") / Warrants or any Convertible Instruments, Conversion date and likely impact of equity

The Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on March 31, 2026.

(x) Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity price risks. The Company has borrowed in foreign currency through the External Commercial Borrowing (ECB) route and fully hedges foreign exchange and interest rate risks to fix the rates for the entire tenure of the loan, which helps the Company to mitigate adverse movements in liabilities. To manage this risk, the Company utilizes appropriate derivatives and regularly assesses monthly book value movements in liabilities and derivatives, making necessary accounting entries in accordance with accounting standards for mark-to-market (MTM) booking. Furthermore, the Company had Nil Unhedged Foreign Currency Exposure as at March 31, 2026.

(xi) Plant Locations of the Company

As a Non-Banking Financial, the Company does not have any plant or manufacturing locations.

(xii) Address for correspondence:

Name: Mr. Gaurav Seth

Designation: Chief Financial Officer

Registered Office: M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi - 110015

Corporate Office: Unit No. - 701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Gurugram – 122003, Haryana, India.

Tel No.: 0124-4844000, **E-mail id**: secretarial@ayefin.com and **Website**: www.ayefin.com

(xiii) Credit Ratings as on March 31, 2026

Rating Agency	Instrument	Rating
India Ratings and Research (Ind-Ra)	Long Term Bank Loan Commercial Paper Non-Convertible Debentures	IND A/Stable IND A1 IND A/Stable
ICRA Limited	Long Term Bank Loan Non-Convertible Debenture	[ICRA] A (Stable) [ICRA] A (Stable)
CareEdge	External Commercial Borrowing	Care Edge B+/Positive

**India Ratings and Research (Ind-Ra) vide its letter dated June 23, 2026 has upgraded the rating of aforementioned instruments to "IND A+/Stable" & the Company has simultaneously intimated this to the Stock Exchanges.*

(xiv) Other Disclosures

a) Disclosures on material related party transactions and Policy on Materiality of Related Party Transactions

There has been no material significant related party transaction with the Company's Founders, Directors along with their relatives, the Management, its subsidiary or other related parties which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. All related party transactions entered into during the year were on arms' length basis, in the ordinary course of business and in the best interest of the Company after obtaining necessary approvals from the Audit Committee and Board of Directors wherever required.

The Company has also formulated a Related Party Transaction Policy and Policy on Determining Materiality of Transactions ("**RPT Policy**"). This Policy is hosted on the Company's website at https://dlryl1dmmgapd.cloudfront.net/footer/related-party-transaction-policy-and-policy-on-det-1778495008028-909n85.pdf

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years except as given below:-

(In ₹ Crores)

Name of Stock Exchange	Relevant Regulation of SEBI Listing Regulations	Financial Year	Fines Amount (excluding GST) during last three years	Remarks
BSE Limited	Regulation 60(2)	2023-24	0.001	N.A.
			0.002	
	Regulation 60(2)	2024-25	0.001	
	Regulations 52(1), 52(4) & 54(2)	2025-26	0.013	The preparation of financial results for the quarter & nine months ended December 31, 2025 was impacted due to Initial Public Offer of the Company. Consequently, the Company was unable to disclose its results within the stipulated timeline specified under Regulation 52 of the SEBI Listing Regulations.
		Total	**0.017**	

c) A brief note on the highlights of the Whistle Blower Policy is provided in the Directors' Report and a declaration signed by the Managing Director of the Company confirming that the Members of Board of Directors and SMPs have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, forms part of this Report.

d) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, as applicable from time to time.

e) Policy for determining 'material' subsidiaries

During the year under review, the Company does not have any material subsidiary. However, the Company has adopted a Policy for Determining 'Material' Subsidiary and the same is hosted on the Company's website at https://dlryl1dmmgapd.cloudfront.net/footer/policy-for-determining-material-subsidiary-1778494862466-po7zrx.pdf.

f) Disclosure of commodity price risks and commodity hedging activities: Not Applicable

g) During the year under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations. Hence, Not Applicable.

h) The Company has received a certificate from Barkha & Co., Practicing Company Secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI, Ministry of Corporate Affairs, Reserve Bank of India or such other Statutory Authority. and the same is annexed to the report as **Annexure – A**.

i) During the year under review, the Board has accepted all mandatory recommendation of Committees.

j) Fees paid to the Statutory Auditors:

The details of total fees paid by the Company and its subsidiary on consolidated basis to the statutory auditors are as follows:

(in ₹ Crore)

Sr. No.	Name of the Company	Status of the Company	Amount
1.	Aye Finance Limited	Holding Company	**0.94**
2.	Foundation for Advancement of Microenterprises	Wholly Owned Subsidiary	**0.03**
	Total		**0.97**

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year 2025-26 – 1

b. Number of complaints disposed of during the financial year 2025-26 – 1

c. Number of complaints pending as on end of the financial year 2025-26 – NIL

l) During the financial year ended March 31, 2026, no loans or advances were provided by the Company to firms/ companies in which directors were interested.

m) As on March 31, 2026, the Company does not have any material subsidiary Company.

n) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

o) Compliance Certificate

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations for the period commencing from April 1, 2025 and ended on March 31, 2026 and the same is annexed to the report as **Annexure B**.

p) CEO/CFO certification

The requisite certification from the Managing Director and Chief Financial Officer for the Financial Year 2025-26 required to be given under Regulations 17(8) of the SEBI Listing Regulations was placed before the Board of Directors of the Company at its meeting held on April 27, 2026 and the same is annexed to the report as **Annexure C**.

q) As on March 31, 2026, there are no shares in the demat suspense account / unclaimed suspense account.

CORPORATE GOVERNANCE REPORT (CONTD.)

r) No such agreements, as specified in clause 5A of para A of part A of Schedule III of SEBI (LODR) Regulations, 2015 have been entered into by the shareholders, related parties, Directors, key managerial personnel and employees of the Company.

s) **Compliance with non-mandatory requirements as provided under part E of Schedule II of SEBI Listing Regulations**

- **The Board**

  The Chairperson of the Company is a Non-Executive and Independent Director.

- **Shareholder Rights**

  The quarterly results of the Company are published in Financial Express (a national English daily) & Jansatta (a vernacular daily), having nation-wide circulation besides uploading the same on the website of the Company and can be accessed on https://www.ayefin.com/financial-statements. In view of the forgoing, the quarterly results of the Company are not sent to the Shareholders individually. The complete copy of the Annual Report is sent to the shareholders/debenture holders of the Company.

- **Modified opinion(s) in audit report**

  The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. Auditors have issued their reports on the financial statements/ results for financial year ended March 31, 2026, with un-modified opinion.

- **Separate posts of Chairperson and the Managing Director**

  The positions of Chairperson and Managing Director are held by two different persons who are not related to each other.

- **Reporting of internal auditor**

  The Internal Auditor of the Company reports to the Managing Director of the Company. Separate discussion is being held quarterly between Audit Committee Members and Head of Internal Audit without the presence of Senior Management in compliance with applicable guidelines/ circular/ notification issued by RBI.

CORPORATE GOVERNANCE REPORT (CONTD.)

DECLARATION BY MANAGING DIRECTOR UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2026.

Sd/-
Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: July 22, 2026

ANNEXURE A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V, Para C, Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Aye Finance Limited
(Formerly Known as Aye Finance Private Limited)
(CIN: L65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi - 110015

We have examined the relevant records, forms and disclosures received from the Directors of Aye Finance Limited (hereinafter referred as "the Company") having CIN: L65921DL1993PLC283660 and having registered office at M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi – 110015 , as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V, Para C, Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2026, the Board of Directors of the Company comprises of the following directors:

Sr. No.	Name of the Director	Director Identification Number (DIN)
1.	Mr. Sanjay Sharma	03337545
2.	Mr. Vinay Baijal	07516339
3.	Ms. Kanika Tandon Bhal	06944916
4.	Ms. Padmaja Nair	06841868
5.	Mr. Aditya Misra	09376632
6.	Mr. Sanjaya Gupta	02939128
7.	Dr. Govinda Rajulu Chintala	03622371

In our opinion and based on our verification and examination of the disclosures and other information under the Companies Act, 2013 (the "Act") and DIN based search on MCA Portal at www.mca.gov.in, we hereby certify that none of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority/ies for the financial year ending 31st March, 2026.

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility of the appointment/ continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Barkha & Co.**
Company Secretaries
Firm Registration No. S2015DE352900
Firm Peer Review No. - 6845/2025

Sd/-
Barkha
Proprietor
M. No.- ACS 41843; CP No.- 15522
UDIN - A041843H000917894

New Delhi
July 22, 2026

ANNEXURE B

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of
Aye Finance Limited
(Formerly Known as Aye Finance Private Limited)
(CIN: L65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi - 110015

1. We have examined the compliance of conditions of Corporate Governance by **Aye Finance Limited** ("the Company") for the financial year ended on March 31, 2026 as stipulated under Regulations 17 to 27 and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Regulations 62B to 62Q of Listing Regulations, to the extent applicable.

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company and our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance of Listing Regulations.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Barkha & Co.**
Company Secretaries
Firm Registration No. S2015DE352900
Firm Peer Review No. - 6845/2025

Sd/-
Barkha
Proprietor
M. No.- ACS 41843; CP No.- 15522
UDIN - A041843H000917894

New Delhi
July 22, 2026

ANNEXURE C

July 22, 2026

To,
The Board of Directors,
Aye Finance Limited (formerly known as Aye Finance Private Limited)
M-5, Magnum House-I,
Community Centre, Karampura,
West Delhi, New Delhi -110015, India

Sub: Certificate of Managing Director and Chief Financial Officer under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Board Members,

We, Sanjay Sharma, Managing Director and Gaurav Seth, Chief Financial Officer of the Company do hereby certify that:

A) We have reviewed financial statements and the cash flow statement for the Quarter and year ended March 31, 2026 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

(ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee that:

(i) there is no significant changes in internal control over financial reporting during the year;

(ii) there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) there is no instances of significant fraud during the year of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of Aye Finance Limited
(formerly known as Aye Finance Private Limited)

Sd/-
(**Sanjay Sharma**)
DIN: 03337545
Managing Director

Sd/-
(**Gaurav Seth**)
Chief Financial Officer

ANNEXURE-II

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

(₹ In Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Foundation for Advancement of Micro Enterprises ("**FAME**"), registered under Section 8 of the Companies Act, 2013
2.	The date since when subsidiary was ~~acquired~~/incorporated	04-04-2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4.	Reporting currency and Exchange rate as on March 31, 2026 in the case of foreign subsidiaries	N.A.
5.	Share capital	- Authorised Share Capital- 100 - Issued, Paid up and subscribed Capital - 25
6.	Reserves & surplus	46.16
7.	Total assets	75.85
8.	Total Liabilities	75.85
9.	Investments	Nil
10.	Turnover	512.58
11.	Surplus/(Deficit) before taxation	20.90
12.	Provision for taxation	Nil
13.	Surplus/(Deficit) after taxation	20.90
14.	Proposed Dividend	N.A.
15.	Extent of shareholding (in %)	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		Not Applicable		
1.	Latest audited Balance Sheet Date			
2.	Shares of Associate/Joint Ventures held by the company on the year end No.			
	Amount of Investment in Associates/Joint Venture			
	Extend of Holding %			
3.	Description of how there is significant influence			
4.	Reason why the associate/joint venture is not consolidated			
5.	Net worth attributable to shareholding as per latest audited Balance Sheet			
6.	Profit/Loss for the year			
	i. Considered in Consolidation			
	ii. Not Considered in Consolidation			

For and on behalf of Board of Directors of
Aye Finance Limited
(Formerly known as Aye Finance Private Limited)

Sd/-
Govinda Rajulu Chintala
(Chairperson and Independent Director)
DIN: 03622371
Date: July 22, 2026
Place: Hyderabad

Sd/-
Sanjay Sharma
(Managing Director)
DIN: 03337545
Date: July 22, 2026
Place: Gurugram

ANNEXURE-III

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2025-26

1. Brief outline on CSR Policy of the Company:

Of the approximately 80.43 million MSMEs in India, nearly 79.90 million operate at the micro-enterprise level, underscoring the sector's pivotal role in grassroots economic development. Thriving micro-businesses means more jobs, especially for women, young people and vulnerable groups. Supporting micro-businesses boosts progress on more than half of United Nations SDGs. Aye Finance Limited ("**Company**") had incorporated Foundation for Advancement of Micro Enterprises ("**FAME**") to harness the capabilities of the micro-enterprise sectors in India through beyond financing support. FAME, a non-profit organization within the meaning of Section 8 of the Companies Act, 2013, was incorporated in Haryana, India on April 4, 2019. The FAME carries out CSR activities in the thematic areas of skilling, livelihood, and promoting gender equality & empowering women which are in line with Schedule VII of the Companies Act, 2013.

FAME is dedicated to building the capabilities of micro-entrepreneurs promoting sustainable economic growth. FAME recognizes that micro-entrepreneurs are the backbone of the economy, and by empowering them, it strives to create a positive impact on society. Through skill development, training on manufacturing quality products, adoption of effective marketing techniques and a focus on women empowerment, FAME is creating a sustainable inclusive ecosystem that eliminates poverty and fosters economic growth at the grassroots level.

FY26 was FAME's 7th year of operations and FAME deepened its commitment to its vision of empowering micro enterprises and supporting them in becoming an integral component of the Indian Economy.

FAME created over 1,62,659 beneficiary engagements during the year and made the year extra special by delivering value and receiving validations from each of its stakeholders.

1. FAME achieved a landmark milestone this year by surpassing the threshold of ₹ **5 Cr program portfolio**, demonstrating sustained growth, strong institutional partnership, and commitment to creating meaningful livelihood opportunities at scale.

2. FAME has expanded dairy interventions to **East and South India**, establishing operational teams in Jharkhand and Andhra Pradesh, overall strengthening FAME's national footprint.

3. Launched **NARI (Nari-led Agri Business for Rural India)**, FAME's first women-led Farmer producer Company ("**FPC**") in Mathura, enrolling 105 members and mobilising ₹ 2.3 lakh in community capital contribution.

4. FAME has operationalised a network of **121 Milk Collection Centres (MCCs)** and onboarded **Harit Pradesh** this year, as a strategic partner alongside **Banas Dairy**. Supported by two leading institutions in the dairy sector, FAME has strengthened market access for dairy farmers, improved milk procurement systems, and expanded its reach to thousands of rural households across multiple states.

5. FAME has **180 FAME Service Centres** operational. This year the centres facilitated the sale of **22 lakh kg** of dairy inputs, generating ₹ **6 Cr** in revenue while helping farmers achieve savings of more than ₹ **56 Lakhs**.

6. FAME significantly strengthened its manufacturing-based livelihood initiatives. In the footwear sector, six new training centres were established, taking the total number of fully equipped centers to eight. The sports goods initiative also witnessed substantial growth as FAME has moved beyond football production to include cricket balls and badminton rackets. The collective income generated by women in the manufacturing sector rose up to ₹ **1.8 Cr**.

7. FAME received a special letter of commendation from the Company for the quality outcome & cost effectiveness of FAME's various shoe and sports goods manufacturing centres.

8. FAME donor, Hindustan Unilever, recognized and rewarded the Foundation with **Prabhat Best Dairy-Based Livelihoods Program** Award at their Annual Award Event.

PROGRAMS UNDER IMPLEMENTATION

A. FAME'S DAIRY DEVELOPMENT PROGRAM

For the Agri Services FAME has designed the Dairy Development Program that works towards improving the effectiveness of dairy farming in rural and semi-urban locations. FAME in the last six years has addressed these challenges for Dairy Farmers in Mathura, Meerut, Hapur, Modi Nagar, Sumerpur, Etah, Orai, Hissar, Alwar, Sikar, Bharatpur, Nabha and Rajpura through collaboration with Amul to open fair price milk collection centres, opening of subsidized shops for dairy inputs and by providing treatment and advisory through certified doctors.

FAME has collaborated with the Ministry of Rural Development, Hindustan Unilever and Banas Dairy (AMUL) to increase the impact of this Program. During the year, Harit Pradesh also joined this growing ecosystem of partners, further reinforcing the program's reach and sustainability. With the support of some of the country's leading institutions in rural development and dairy value chains, FAME is now better positioned than ever to expand services, improve farmer livelihoods, and strengthen dairy-based rural enterprises across multiple states.

During the year, FAME made significant progress in strengthening community-owned rural enterprises through the launch of NARI (Nari-led Agri Business for Rural India), its first women-led FPC in Mathura. The FPC was established with 10 Board Directors and 105 members, mobilizing ₹ 2.3 lakh in capital contribution and completing key registration and operational processes. Simultaneously, under the GROW (Guaranteed Result on Wellness) initiative, women dairy farmers transitioned from subsistence farming to entrepreneurship by establishing dairy feed enterprises and expanding their participation across the dairy value chain. FAME also expanded its dairy intervention into the East and South Zones, deploying field teams in Jharkhand and Andhra Pradesh and partnering with Banas Dairy to operationalize 121 Milk Collection Centres (MCCs). During the year, the MCC network facilitated the collection of over 21 lakh liters of milk, generating transactions worth approximately ₹ 10 crore and creating an estimated ₹ 1.8 crore benefits for dairy farmers. Together, these initiatives reflect FAME's growing capacity to build scalable, community-led livelihood ecosystems that promote sustainable rural development, women's economic empowerment, and enhanced market access for smallholder farmers.

During FY26, FAME delivered the following for the beneficiaries in the dairy sector

1. Conducted over 3,000 awareness and doorstep veterinary camps
2. Free of cost treatment to 130k cattle
3. 5,400 artificial insemination conducted
4. 180 FAME Service Centres are operational through which:
   - 22 lakh kg of dairy inputs of over ₹ 6 crore were sold
   - ₹ 56 lakh of savings generated for the beneficiaries
5. 121 Milk Collection Centres operational, 115 with Banas and 6 with Harit Pradesh through which:
   - Over ₹ 21 lakh liters of milk was sold
   - ₹10 Cr value of milk collected
   - Over ₹ 1.8 Cr of benefit

B. SHOE ARTISAN PROGRAM

FAME launched the Shoe Artisan Program in 2022 with the vision of creating sustainable livelihood opportunities for women from marginalized and minority communities in Agra. By equipping women with market-relevant footwear manufacturing skills and linking them to production units, the program has enabled women to transition from unpaid household work to regular income-generating employment.

The program witnessed significant growth during FY26, with six new training centres established, expanding the initiative's reach across communities. Beyond income generation, the intervention has strengthened women's

confidence, decision-making abilities, and social standing within their families and communities. What began as a small skilling initiative has evolved into a scalable livelihood ecosystem that continues to create pathways for dignified employment and financial independence.

- 6 new centres added during the year taking the total number of centres operational to 8
- 685 Women Shoe Artisans trained this year
- 620 Women Shoe Artisans got regular job work
- ₹ 1.2 Cr earned by the women during the year

C. DIWA (Development Initiative of Women Association) – Savories Cluster

Launched in FY24, DIWA (Development Initiative for Women Association) was envisioned as a women-led social enterprise to create sustainable livelihood opportunities for women from marginalized communities through the production and sale of traditional savouries. What began as a small initiative has steadily evolved into a growing enterprise driven by women entrepreneurs.

During FY26, the initiative expanded its footprint with **four production centres operational across Hapur and Meerut**, creating livelihood opportunities for women who were previously excluded from formal economic activities. The women-led enterprise collectively produced and sold **18,000 kg of namkeen**, generating a business turnover of approximately ₹ **19 lakhs**.

The year also marked a strategic shift from production-focused operations to enterprise development. Significant investments were made in **branding, packaging, marketing, and distribution systems**. Standardized packaging was introduced for both rural and urban markets, while dedicated sales teams strengthened market outreach through local Kirana stores and retail networks. These efforts enhanced product visibility, improved customer recognition, and laid the foundation for future scale.

- 4 manufacturing units operational.
- 40 women trained in manufacturing 5 varieties of savouries.
- Standardised branding and packaging during the year
- Efficient sales team deployed to develop a distribution network.
- Over 18K kg manufactured during the year, and ₹ 19 lakhs of revenue generated

D. SPORTS CLUSTER DEVELOPMENT PROGRAM

FAME's Sports Cluster Development Program is creating livelihood opportunities for rural women by integrating them into Meerut's globally recognized sports goods manufacturing ecosystem. Through specialized training in football stitching and quality production techniques, the program is enabling women to participate in a traditionally male-dominated sector while earning a sustainable income from their homes and communities.

During FY26, the program expanded significantly, training women not only in football but also cricket ball and shuttle cork manufacturing and connecting them with established manufacturers through market linkages. These partnerships have ensured a steady flow of job work, allowing women to earn regular wages while developing technical skills and production expertise.

The program has not only created employment opportunities but has also enhanced women's confidence, mobility, and participation in local economic activities. By combining skilling, production, and market access, FAME is building an inclusive manufacturing model that places women at the centre of local economic growth.

- 5 new centres added during the year taking the total number of centres operational to 7
- 613 women trained this year
- 300 trained women receiving regular job work.
- ₹ 41 lakh earned by the women during the year

E. KIRANA EMPOWERMENT PROGRAM

FAME's Kirana Empowerment Program supports small retail entrepreneurs in semi-urban and rural areas by strengthening their business management capabilities and improving the overall performance of their stores. During the year, FAME conducted **28 capacity-building sessions**, reaching over **1,150 Kirana store owners** across Meerut and Hapur. These sessions focused on key aspects of retail management, including inventory control, shelf organization, customer engagement, accounting practices, digital payments, and customer retention strategies. To further support store owners, FAME facilitated access to finance for entrepreneurs seeking to upgrade their businesses and developed a practical advisory booklet on effective Kirana store management. Alongside these efforts, FAME implemented the Saksham Kirana Project, its flagship initiative aimed at strengthening women-owned Kirana stores through targeted financial and technical assistance. Under the project, six women-owned grocery stores in Meerut were redeveloped and modernized through improvements in store layout, infrastructure, product display, digitization, and business operations. The women entrepreneurs also received mentoring on product selection, pricing strategies, merchandising, and digital marketing.

The impact assessment of the redeveloped stores revealed significant improvements in business performance:

- Average increase of 115% in customer footfall (the highest 189% and lowest 84%)
- Average 207% increase in Sales (highest 283% and lowest 79%)
- Average 78% increase in Profit (Highest 129% and Lowest 32%)

ANNEXURE-III (CONTD.)

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Kanika Tandon Bhal	Non-Executive Independent Director, Chairperson	2	2
2.	Ms. Padmaja Nair	Non-Executive Independent Director, Member	2	2
3.	Mr. Sanjay Sharma	Managing Director, Member	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of CSR committee	https://www.ayefin.com/disclosures/committee-composition
CSR Policy	https://dlryl1dmmgapd.cloudfront.net/footer/Corporate-Social-Responsibility-Policy.pdf
CSR projects	https://www.ayefin.com/csr

4. 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 – ₹ **1,73,30,95,408**

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 – ₹ **3,46,61,908**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – **NIL**

(d) Amount required to be set-off for the financial year, if any – **NIL**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ **3,46,61,908**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **3,46,61,908**

(b) Amount spent in Administrative Overheads – **Nil**

(c) Amount spent on Impact Assessment, if applicable – **NA**

ANNEXURE-III (CONTD.)

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **3,46,61,908**

(e) CSR amount spent or unspent for the Financial Year **- Nil**

Amount (in ₹)

Total Amount Spent for the Financial Year (In ₹) Amount	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Date of transfer	Name of the Fund	Amount	Date of transfer	
3,46,61,908	Nil	NA	NA	Nil	NA

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

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	3,46,61,908
(ii)	Total amount spent for the Financial Year	3,46,61,908
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(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 [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Amount (in ₹)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount Spent in the Financial Year	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 ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	2024-25			Nil				
2.	2023-24							
3.	2022-23							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: NA

For and on behalf of the Board of Directors of
Aye Finance Limited
(formerly known as Aye Finance Private Limited)

sd/-
(Kanika Tandon Bhal)
Chairperson
DIN: 06944916
Date: July 22, 2026
Place: Delhi

sd/-
(Sanjay Sharma)
Managing Director
DIN: 03337545
Date: July 22, 2026
Place: Gurugram

ANNEXURE-IV

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors,
AYE FINANCE LIMITED
(Formerly known as Aye Finance Private Limited)
(CIN: U65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi-110015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aye Finance Limited *(formerly known as Aye Finance Private Limited)*** (hereinafter called the "**Company**") whose debt securities are listed on BSE Limited on debt market segment and India International Exchange (IFSC) Limited (India INX) at Gift City on global securities market platform. The Company is classified as a Middle Layer Non-Deposit undertaking Non-Banking Financial Company ("**NBFC**") under the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended by Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025.

We report that:

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

b) 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.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) 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.

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 ("**Audit Period**") 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment,

ANNEXURE-IV (CONTD.)

Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to the extent applicable;

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

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

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and/ or The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 to the extent of the Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **{Not applicable during the audit period}**;

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **{Not applicable during the audit period}**; and

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India which has been generally complied with.

The Company is engaged in lending activities (whether short or long term loan or working capital finance, development finance, factoring, leasing, guarantees or any other debt related funding) to micro, small and medium scale enterprises and to individuals as a Middle Layer Non-Deposit undertaking NBFC. Furthermore, the Company is also registered as a Corporate Agent in accordance with regulations prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). Thus, the following laws are being specifically applicable to the Company:

i. Reserve Bank of India Act, 1934 and Rules, Regulations & Directions issued by Reserve Bank of India from time to time;

ii. International Financial Services Centres Authority (Listing) Regulations, 2024, to the extent as applicable on listing of debt securities; and

iii. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, to the extent applicable.

On the basis of management representation and our check on test basis, we are on the view that the Company has adequate system to ensure compliance of laws specifically applicable on it and the Company was complied with the these specifically applicable laws.

We further report that on the basis of documents and information provided to us by the management of the Company during the course of audit, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above except that the financial results for the quarter ended December 31, 2025 were submitted with BSE Limited ("**BSE**") with delay of 18 days and as a consequence of said delay, the Company also deposited fine of ₹ 1,48,680 with BSE. Further, as informed by the management, the said delay was due to proposed Initial Public Offer of the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman director.

ANNEXURE-IV (CONTD.)

Further, the changes in the board of directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors or members to schedule the Board Meetings or Committee Meetings respectively. Agenda and detailed notes on agenda were sent in advance except in cases where meeting was convened at a shorter notice in accordance with the provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

On our perusal of minutes, the board decisions were carried out with majority consent and therefore, no dissenting views were captured and recorded as part of 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 Board of Directors of the Company at its meeting held on May 21, 2025 and the members of the Company at their 32nd Annual General Meeting held on September 26, 2025 inter-alia considered and approved the following proposal(s):
  - o increase in the borrowing limit of the Company from ₹ 7,000 crores to ₹ 8,000 crores under Section 180(1)(c) of the Companies Act, 2013;
  - o creation of charges on the movable and/or immovable properties of the Company, both present and future, in respect of borrowings of the Company under Section 180(1)(a) of the Companies Act, 2013, and;
  - o issuance of Non-Convertible Debentures upto ₹ 4,000 crores, in one or more tranches, on private placement basis; and
  - o Issuance of Commercial Paper upto ₹ 100 crores;
- the Board of Directors of the Company at their meeting held on September 11, 2025 approved the addendum to the Draft Red herring Prospectus ("DRHP") in order to update certain portions of the DRHP and same was filed with SEBI on September 11, 2025;
- the Board of Directors at their meeting held on November 30, 2025 approved and adopted the updated draft red herring prospectus in relation to the proposed initial public offering by the Company;
- the Board of Directors at their meeting dated March 06, 2026 took note of the approvals received from BSE Limited and National Stock Exchange of India Limited for the listing and trading of the equity shares of the Company pursuant to the Initial Public Offering, granted on February 13, 2026 and becoming effective from February 16, 2026; and
- the Company is currently in the process of updating its Corporate Identification Number (CIN) on the MCA21 Master data following its recent listing on the stock exchange(s).

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 7853/2026

Sd/-
Neeraj Arora
Partner
M. No.: FCS 10781; CP No.: 16186
UDIN: F010781H000190501

New Delhi
April 27, 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Aye Finance Limited (Formerly known as Aye Finance Private Limited)** ("the Company"), which comprise the Balance sheet as at 31st 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 then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31st March 2026, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 statement.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	Auditor's Response
Allowance for Expected Credit Losses (ECL) in respect of loan assets. [Refer Note No. 2.14 for the accounting policy and Note No. 49 for the related disclosures] As at 31st March 2026, the Company has financial assets (loans) amounting to Rs. 6,540.36 Crores. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default (PD), loss given default (LGD) and exposure at default (EAD). ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures:- • **Walkthrough and Control Assessment:** Conducted a walkthrough of the impairment loss allowance process, assessing the design effectiveness of controls. • **Policy and Compliance Review:** Evaluated the Company's accounting policies for impairment of financial assets for compliance with Ind AS 109 and the Board-approved governance framework per RBI guidelines. • **Model Understanding and Key Inputs:** Gained an understanding of the Company's model for calculating expected credit losses, including key inputs, assumptions, and management overlays, assessing the appropriateness and accuracy of data used. • **Analytical Procedures:** Performed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures. • **Credit Risk Assessment:** Evaluated the Company's determination of significant increase in credit risk, checked compliance with Ind AS 109, and assessed historical data relevance in light of recent impairment losses. Tested loan staging criteria and indicators for loss. • **Controls and Calculation Testing:** Tested the design and operating effectiveness of key controls, accuracy of inputs, and reasonableness of assumptions used in ECL calculations. Verified arithmetic calculations and assessed presentation and disclosures.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Directors' Report including Annexures to the Directors' Report and Corporate Governance Report (collectively referred to as "Other Information") but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above 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.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March,2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :-

      In our opinion and to the best of information and according to explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 33 to the Financial Statements.

      ii. 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 41 to the financial statements.

      iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2026.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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;

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

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

      v. the company has not declared or paid any dividend during the year ended 31st March 2026.

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

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671FFJWUZ2075

Place: New Delhi
Date: April 27, 2026

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aye Finance Limited (Formerly known as Aye Finance Private Limited) of even date)

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

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) The Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) Based on the information and explanation given to us, the Company does not have any immovable property, hence reporting under clause 3(i) (c) of the order is not applicable.

(d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

(e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2026 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) As disclosed in note 56(f) to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five Crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii. (a) Since, the Company's Principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable as the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:-

(Amount in ₹ in Crores)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Hypothecation Loan & Switchpe loan	41,862	128.32	43.50	171.83
Mortgage Loan	1,288	5.50	7.71	13.21
Quasi-Mortgage Loan	1,534	4.17	1.62	5.79
Total	**44,684**	**137.99**	**52.83**	**190.83**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a Non-Banking Financial Company whose principal business is to give loans.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of investments made.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2026 for a period of more than six months from the date they became payable except Provident fund amount of Rs. 0.22 Crores and Professional tax amount of Rs. 0.01 Crores.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2026 on account of disputes are given below:-

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount under dispute (Rs.in crores)	Amount Paid (Rs.in crores)**
The Income Tax Act, 1961	Income Tax Demands	Commissioner of Income Tax (Rectification U/S 154)	AY 2023-24	7.60	
The Income Tax Act, 1961	Income Tax Demands	Commissioner of Income-tax (Appeals)	AY 2023-24	5.35	
The Income Tax Act, 1961	TDS Demands	Commissioner of Income Tax (Appeals)	AY 2018-19	0.54#	
The Income Tax Act, 1961	TDS Demands	Commissioner of Income Tax (Appeals)	AY 2019-20	2.31#	

*AY=Assessment Year

** paid under protest

Includes Interest till date of order

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

(d) According to the information and explanation given to us and based on our overall examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Further, the company does not have any associate or joint venture.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiary company during the year. Further, the company does not have any associate or joint venture. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with various banks. The amount of unutilized proceeds as at 31st March 2026 amounted to Rs. 170.00 Crores.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of embezzlement of cash by staff, involving amount aggregating to Rs. 0.28 Crores as mentioned in Note No.53.18 to the financial statements. As informed to us, the Company has terminated the services of such employees and also initiated legal action against them, wherever necessary.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

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

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. (a) The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) As per information and explanations given to us, there are no ongoing projects with respect to CSR. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671FFJWUZ2075

Place: New Delhi
Date: April 27, 2026

"ANNEXURE B"

to the Independent Auditor's Report of even date on the Financial Statements of Aye Finance Limited (Formerly known as Aye Finance Private Limited).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report

We have audited the internal financial controls with reference to Financial Statements of **Aye Finance Limited (Formerly Known as Aye Finance Private Limited)** ("the Company") as of 31st March 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 FINANCIAL STATEMENTS

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

OPINION

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

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671FFJWUZ2075

Place: New Delhi
Date: April 27, 2026

BALANCE SHEET

as at March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	3	620.38	931.16
Bank balances other than cash and cash equivalents	4	390.69	206.73
Derivative financial instruments	12	77.97	0.24
Loans	5	6,266.44	4,950.21
Investments	6	158.14	41.76
Other financial assets	7	107.33	60.61
Total financial assets		**7,620.95**	**6,190.71**
Non-financial assets			
Current tax assets (net)	8	19.45	17.89
Deferred tax assets (net)	9	53.38	60.98
Property, plant and equipment	10A	12.25	12.10
Right of use assets	10B	44.83	26.27
Intangible assets under development	37	-	4.13
Intangible assets	10C	4.65	2.25
Other non-financial assets	11	17.43	23.78
Total non-financial assets		**151.99**	**147.40**
Total assets		**7,772.94**	**6,338.11**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	-	-
Debt securities	13	1,070.50	1,418.13
Borrowings (other than debt securities)	14	3,947.13	3,108.20
Lease liabilities	15	47.47	28.41
Other financial liabilities	16	81.75	48.13
Total financial liabilities		**5,146.85**	**4,602.87**
Non-financial liabilities			
Current tax liabilities (net)	8	4.58	4.58
Provisions	17	54.33	43.33
Other non-financial liabilities	18	34.47	28.98
Total non-financial liabilities		**93.38**	**76.89**
EQUITY			
Equity share capital	19	48.90	37.79
Other equity	20	2,483.81	1,620.56
Total equity		**2,532.71**	**1,658.35**
Total liabilities and equity		**7,772.94**	**6,338.11**

Summary of material accounting policies 1 to 2

The accompanying notes are an integral part of the financial statements. 3 to 56

In terms of our report attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

per Vijay Kumar
Partner
Membership No: 092671

New Delhi
April 27, 2026

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
April 27, 2026

Sovan Satyaprakash
Interim Chief Financial Officer

Gurugram
April 27, 2026

Vipul Sharma
Company Secretary
Membership No: A27737

Gurugram
April 27, 2026

Govinda Rajulu Chintala
Chairperson and
Independent Director
DIN: 03622371

Mumbai
April 27, 2026

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	21	1,567.43	1,325.96
Fees and commission income	22	73.54	54.42
Net gain on derecognition of financial instruments under amortised cost category	23	67.97	37.59
Net gain on fair value changes	24	105.79	41.76
Total revenue from operations		**1,814.73**	**1,459.73**
Other income	25	48.51	45.26
Total income		**1,863.24**	**1,504.99**
Expenses			
Finance cost	26	534.07	468.00
Net loss on fair value changes	27	66.77	3.62
Impairment on financial instruments	28	335.73	288.83
Employee benefit expenses	29	494.75	379.64
Depreciation and amortization expense	10	26.31	22.16
Other expenses	30	158.31	117.73
Total expenses		**1,615.94**	**1,279.98**
Profit before tax		**247.30**	**225.01**
Tax expense:			
Current tax		45.93	70.53
Deferred tax		7.74	(16.79)
Income tax expense		**53.67**	**53.74**
Profit for the year (A)		**193.63**	**171.27**
Other comprehensive income / (loss)			
Items that won't be reclassified subsequently to profit or loss			
Re-measurement income / (loss) on defined benefit plans		(0.56)	(0.97)
Income tax effect		0.14	0.25
Other comprehensive (loss) for the year (B)		**(0.42)**	**(0.72)**
Total comprehensive income for the year (A+B)		**193.21**	**170.55**
Earnings per share (equity share, par value of ₹ 2 each)			
Basic (₹)	32	9.73	9.29
Diluted (₹)	32	9.60	9.12
Nominal value ^^		2.00	2.00

^^ The Board of Directors of the Company in the Board meeting dated October 16, 2024 and Shareholders of the company in the Extra Ordinary General Meeting dated October 17, 2024 have approved the re-classification and sub-division of each of the Equity Share of the Company having a face value of ₹ 10/- each in the Equity Share Capital of the Company, into 5 Equity Shares having a face value of ₹ 2/- each

Summary of material accounting policies 1 to 2

The accompanying notes are an integral part of the financial statements. 3 to 56

In terms of our report attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

per Vijay Kumar
Partner
Membership No: 092671

New Delhi
April 27, 2026

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
April 27, 2026

Sovan Satyaprakash
Interim Chief Financial Officer

Gurugram
April 27, 2026

Vipul Sharma
Company Secretary
Membership No: A27737

Gurugram
April 27, 2026

Govinda Rajulu Chintala
Chairperson and
Independent Director
DIN: 03622371

Mumbai
April 27, 2026

STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	247.30	225.01
Adjustments for:		
Depreciation and impairment of PPE	12.84	10.96
Depreciation on right of use assets	13.47	11.20
Loss / (Gain) on fair value of cross currency swap	(77.73)	(3.39)
Profit on sale of mutual fund units	(28.06)	(38.37)
Impairment of financial instruments	60.66	82.41
(Gain) on early termination of lease	(0.27)	(0.50)
Provision on investment	25.65	29.05
Loans and advances written off	310.29	216.28
Loss on settlement	10.46	2.93
(Profit)/Loss on sale of property, plant and equipment (net)	(0.05)	(0.04)
Expense on employee stock option scheme	5.78	9.24
Unrealised interest income on security deposit	(0.49)	(0.40)
Interest on leases liabilities	6.97	4.57
Interest on income tax refund	(0.63)	(0.85)
Operating profit before working capital changes	**586.19**	**548.10**
Movements in working capital:		
Decrease / (Increase) in bank balances not considered as cash and cash equivalents	(183.96)	(3.06)
Decrease / (Increase) in loan portfolio	(1,697.64)	(1,248.71)
Decrease / (Increase) in other financial assets	(47.39)	(30.04)
Decrease / (Increase) in other non financial assets	6.35	(15.71)
(Decrease) / Increase in other financial liabilities (excluding lease liabilities)	12.74	(6.70)
(Decrease) / Increase in other non financial liabilities	5.49	3.52
Increase / (Decrease) in provisions	10.44	12.07
Cash used in operations	**(1,307.78)**	**(740.53)**
Income taxes paid	(46.86)	(71.26)
Net cash used in operating activities (A)	**(1,354.64)**	**(811.79)**
Cash flow from investing activities		
Purchase of property, plant and equipment, excluding right of use assets	(11.66)	(16.89)
Sale of property, plant and equipment, excluding right of use assets	0.27	0.13
Purchase of investments	(9,488.71)	(11,173.95)
Sale of investments	9,374.74	11,152.12
Net cash used in / generated from investing activities (B)	**(125.36)**	**(38.59)**

STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	713.12	242.46
Share issue expenses	(16.69)	-
Proceeds from issue of debt securities	375.00	929.00
Redemption of debt securities	(722.63)	(533.21)
Proceeds from borrowings (other than debt securities)	2,993.76	2,831.60
Repayment of borrowings (other than debt securities)	(2,154.83)	(2,200.05)
Payment of lease liabilities (including interest)	(18.51)	(14.85)
Net cash generated from financing activities (C)	**1,169.22**	**1,254.95**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(310.78)**	**404.57**
Cash and cash equivalents at the beginning of the year	931.16	526.59
Cash and cash equivalents at the end of the year (refer note 3)	**620.38**	**931.16**
Components of cash and cash equivalents as at the end of the year		
Cash in hand	10.81	11.24
Balance with banks - on current account	419.72	404.88
Deposits with original maturity of less than or equal to 3 months	189.85	515.04
Total cash and cash equivalents	**620.38**	**931.16**

Note:

The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

In terms of our report attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

per Vijay Kumar
Partner
Membership No: 092671

New Delhi
April 27, 2026

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
April 27, 2026

Sovan Satyaprakash
Interim Chief Financial Officer

Gurugram
April 27, 2026

Vipul Sharma
Company Secretary
Membership No: A27737

Gurugram
April 27, 2026

Govinda Rajulu Chintala
Chairperson and
Independent Director
DIN: 03622371

Mumbai
April 27, 2026

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026		As at March 31, 2025	
Equity shares of ₹ 2 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the year	19,17,41,570	38.35	48,30,520	4.83
Effect of Split on the opening number of outstanding shares (Refer note No. 19.1)	-	-	1,93,22,080	-
Changes in share capital due to prior period errors	-	-	-	-
Amount recoverable from ESOP Trust (22,85,389 shares of ₹ 2 face value (Previous year 28,01,470 shares of ₹ 2 face value face value each) held by trust	(22,85,389)	(0.46)	(5,60,294)	(0.56)
Effect of Split on the number of shares held by trust	-	-	(22,41,176)	-
Restated balance at the beginning of the current/ previous Reporting period	18,94,56,181	37.89	2,13,51,130	4.27
Changes in share capital during the year	5,50,42,696	11.01	3,35,17,794	33.52
Additional shares pursuant to share split during the year	-	-	13,40,71,176	-
Balance at the end of the reporting year	**24,44,98,877**	**48.90**	**18,89,40,100**	**37.79**

0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2026		As at March 31, 2025	
Preference shares of ₹ 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the reporting year	-	-	2,61,82,448	26.18
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/ previous Reporting period	-	-	2,61,82,448	26.18
Changes in share capital during the year	-	-	(2,61,82,448)	(26.18)
Balance at the end of the reporting year	**-**	**-**	**-**	**-**

0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2026		As at March 31, 2025	
Preference shares of ₹ 20 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the reporting year	-	-	47,39,244	9.48
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/ previous Reporting period	-	-	47,39,244	9.48
Changes in share capital during the year	-	-	(47,39,244)	(9.48)
Balance at the end of the reporting year	**-**	**-**	**-**	**-**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

B. OTHER EQUITY

Particulars	Reserves and surplus							Total
	Statutory reserve under section 45IC of RBI Act	Securities premium	Share option outstanding account	Retained earnings	Other comprehensive income	Share warrants	Share Application Money Pending Allotment	
Balance at the end of the year 2024	58.36	951.95	21.91	160.76	3.10	0.09	-	1,196.18
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the end of the year 2024	58.36	951.95	21.91	160.76	3.10	0.09	-	1,196.18
Profit for the year	-	-	-	171.27	-	-	-	171.27
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	34.25	-	-	(34.25)	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(0.72)	-	-	(0.72)
Transfer to / from share option outstanding account	-	-	9.24	-	-	-	-	9.24
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-	-
Premium on Issue of share capital	-	244.69	-	-	-	-	-	244.69
Conversion of share warrants into equity shares	-	-	-	-	-	(0.09)	-	(0.09)
Balance at the end of the reporting year 2025	**92.61**	**1,196.64**	**31.15**	**297.78**	**2.38**	**-**	**-**	**1,620.56**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the end of the reporting year 2025	**92.61**	**1,196.64**	**31.15**	**297.78**	**2.38**	**-**	**-**	**1,620.56**
Profit for the year	-	-	-	193.63	-	-	-	193.63
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	38.73	-	-	(38.73)	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(0.42)	-	-	(0.42)
Transfer to / from share option outstanding account	-	-	8.44	-	-	-	-	8.44
Transfer on account of exercise of stock option			(2.66)					(2.66)
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-	-
Premium on Issue of share capital	-	701.92	-	-	-	-	-	701.92
Utilization towards share issue expenses		(37.75)						(37.75)
Share Application Money Pending Allotment	-	-	-	-	-	-	0.09	0.09
Balance at the end of the reporting year 2026	**131.34**	**1,860.81**	**36.93**	**452.68**	**1.96**	**-**	**0.09**	**2,483.81**

In terms of our report attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

per Vijay Kumar
Partner
Membership No: 092671

New Delhi
April 27, 2026

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
April 27, 2026

Sovan Satyaprakash
Interim Chief Financial Officer

Gurugram
April 27, 2026

Vipul Sharma
Company Secretary
Membership No: A27737

Gurugram
April 27, 2026

Govinda Rajulu Chintala
Chairperson and
Independent Director
DIN: 03622371

Mumbai
April 27, 2026

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

1 GENERAL INFORMATION

Aye Finance Limited (“AFL” or “the Company”) was incorporated to carry on the business of a finance company focused on providing loans to micro scale micro, small and medium enterprises (“MSMEs”) across India. We offer a range of business loans for working capital and business expansion needs, against hypothecation of working assets or against security of property to customers across manufacturing, trading, service and allied agriculture sectors. On November 27, 2015, the Company received a certificate of registration from the Reserve Bank of India vide registration no. B-14.03323 under Section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non-Banking Financial Company (NBFC) without acceptance of public deposits. The Company is a Middle Layer Non-Banking Financlal Company (NBFC-ML), registered with the Reserve bank of India {""the RBI""). Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non-Banking Financial Company are applicable to the Company. The registered office of the Company is situated at Delhi.

The Company has issued debentures on a private placement basis and the said securities are listed with BSE Limited on Debt market segment. Pursuant to resolutions dated October 16,2024 and October 17,2024 passed by our Board and our Shareholders respectively, the name of our Company was changed to 'Aye Finance Limited'. A fresh certificate of incorporation dated December 10,2024 was issued by the ROC consequent to our Company's conversion into a public limited company. Further the Company's equity shares were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited on February 16,2026.

2 MATERIAL ACCOUNTING POLICIES:

2.1 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 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

2.2 Basis of preparation:

The financial statements have been prepared on a going concern basis the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

2.3 Presentation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the crores upto two decimals, except when otherwise indicated. The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

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

(a) The normal course of business

(b) The event of default

(c) The event of insolvency or bankruptcy of the Group and / or its counterparties

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

2 MATERIAL ACCOUNTING POLICIES:

2.4 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(a) Interest income

EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at fair value through other comprehensive income ('FVOCI') and fair value through profit and loss (FVTPL). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is recorded as and when realised.

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

(b) Net gain on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss.

(c) Net gain / (loss) on de recognition of financial instruments under amortised cost category

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

Income from direct assignment transaction represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and consideration received (including any new asset obtained less any new liability).

(d) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. This includes cheque bouncing charges, late payment charges and prepayment charges etc. which are recorded as and when realised.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IndAS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates

enforceable rights and obligations and sets out the criteria for every contract that must be met.

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

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

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

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(e) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.5 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116

The Company as a lessee

The Company's lease asset classes primarily consist of leases for its various office spaces. 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. The company has not exercised the exemption to exclude short term leases or low value leases.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

2.6 Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

(a) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Post employment benefits:

(i) Defined contribution plan

The Company's contribution to Employee Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund under the relevant Acts are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined benefit plan

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

(c) Long-term employee benefits

Compensated absences with respect to leave encashment benefits payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

(d) Termination benefits

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

2.7 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or

deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is measured in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current tax and deferred tax for the year

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

2.8 Property, plant and equipment:

(a) Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes import duties and any non-refundable taxes on such purchase, after deducting rebates and trade discounts and is inclusive of freight, duties, taxes and other incidental expenses. All cost are capitalized which are directly attributable to bringing assets to the condition and location essential for it to operate in a manner as intended by the management. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim.

Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

(b) Depreciation and amortisation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. Leasehold improvements are amortised over the period of lease.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets is acquired/ installed. Depreciation on sale/deduction from property, plant and equipment is provided for up to the date of sale deduction and discernment as the case may be.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In respect of assets whose useful lives has been revised, the unamortized depreciable amount is charged over the revised remaining useful lives of the assets.

(c) Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

2.9 Intangible assets:

(a) Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a written down basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

(b) Derecognition of Intangible assets

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, are recognized in profit or loss when the asset is derecognized.

(c) Useful lives of intangible assets

Estimated useful lives of the intangible asset for the current and comparative periods are as follows:

Computer software: 3 years

Intangible Assets which are under development as at the balance sheet date.

2.10 Impairment of non financial assets:

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-

generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

2.11 Provisions, contingent liabilities and contingent assets:

(a) 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 the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

(b) 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.

(c) Contingent assets

Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow of economic benefits is probable.

2.12 Share-based payment arrangements:

The stock options granted to employees pursuant to the Company's Stock Options Plan, are measured at the fair value of the options at the grant date in accordance with IND AS 102, Share-based payments. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The company has constituted an Employee Stock Option Plan 2016. The Plan provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

The company has constituted an Employee Stock Option Plan 2020. The company has transferred all the ungranted options under Employee Stock Option Plan 2016 to Employee Stock Option Plan 2020 while options granted under the Employee Stock Option Plan 2016 continue to be governed by the conditions of Employee Stock Option Plan 2016.

The company has constituted an Employee Stock Option Plan 2024. The Plan provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

All plans provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

2.13 Financial instruments:

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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

(a) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial asset are adjusted to the fair value on initial recognition.

Subsequent measurement

For the purpose of Subsequent measurement, the Company classifies financial assets in following categories:

(i) Financial assets at amortized cost

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets shall be measured at amortized cost if both of the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment

losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

Financial investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

All other equity investments are measured at fair value, with value changes recognised in Profit and loss, except for those equity investments for which the company has elected to present the changes in fair value through OCI.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial liabilities are adjusted to the fair value on initial recognition.

Subsequent measurement

Subsequent to initial recognition, all liabilities are measured at amortized cost using the effective interest method except for derivatives, financial liabilities designated for measurement at FVTPL which are measured at fair value.

De-recognition of financial liabilities

A financial liabilities is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets and liabilities subsequent to their initial recognition.

Modification of financial assets and financial liabilities

Financial assets

The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

2.14 Impairment of financial instruments:

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets other than those measured through profit and loss (FVTPL).

(a) Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs (Lifetime expected Credit losses) and 12 months ECLs are calculated on collective basis.

(b) Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1

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

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3 and facilities where the credit risk has been increased due to restructuring and loan has been reclassified from stage 1.

Stage 3

Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

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.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

(c) Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD)

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Loss Given Default (LGD)

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

The mechanics of the ECL method are summarised below:

Stage 1

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

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3 / Regulatory Stage 3

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

(d) Loss allowances for ECL are presented in the statement of financial position as follows:

(i) for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

(ii) for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

(e) Write offs

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.15 Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in statement of profit and loss.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.

2.16 Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements. The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

(a) Level 1 financial instruments

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume

and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

(b) Level 2 financial instruments

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

(c) Level 3 financial instruments

Include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

2.17 Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The following are significant management estimation/uncertainty and judgement in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Defined benefit obligation

Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Business model assessment

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

Fair value of financial instruments :

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

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.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Property, plant and equipment

Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

2.17 Significant management judgements in applying accounting policies and estimation uncertainty

Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

Fair value of share-based payments

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 or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash on hand	10.81	11.24
Balances with banks:		
On current accounts	419.72	404.88
Deposit with original maturity of less than three months*	189.85	515.04
	620.38	**931.16**

*As on 31 March 2026, proceeds from Initial Public Offer (IPO) included in deposit accounts (with original maturity of less than 3 months) of ₹ 170 crores (refer note 55.2).

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Fixed deposit with original maturity for more than three months	147.20	57.78
Balances with banks to the extent held as margin money or security against borrowing, guarantees and other commitments		
Balance held as security against borrowings	54.21	7.01
Balance held as security against securitisation	133.06	141.94
Balance held as security against other commitments	2.50	-
Earmarked balance with bank		
Balance held in monitoring account (Refer Note 55.2)	53.72	-
	390.69	**206.73**

5 LOAN PORTFOLIO

	As at March 31, 2026	As at March 31, 2025
At Amortised cost:		
Term loans	6,535.41	5,157.33
Staff loan	4.95	5.56
Total - Gross	**6,540.36**	**5,162.89**
Less: Impairment loss allowance - Term loans	273.30	212.15
Less: Impairment loss allowance - Staff loans	0.62	0.53
Total - Net	**6,266.44**	**4,950.21**
(A) Based on security		
(I) Secured	**3,903.12**	**2,959.99**
Secured against mortgage of property	1,282.55	766.02
Secured against hypothecation of Inventory, Stock etc.	2,620.57	2,193.97
(II) Unsecured	**2,637.24**	**2,202.90**
Total (A) Gross	**6,540.36**	**5,162.89**
Less: Impairment loss allowance	273.92	212.68
Total (A) Net	**6,266.44**	**4,950.21**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
(B) Based on region		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	6,540.36	5,162.89
Total (B) (I) Gross	**6,540.36**	**5,162.89**
Less: Impairment loss allowance	273.92	212.68
Total (B) (I) Net	**6,266.44**	**4,950.21**
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (B) (II) Net	**-**	**-**
Total (B) (I) and (B) (II)	**6,266.44**	**4,950.21**

6 INVESTMENTS

	As at March 31, 2026	As at March 31, 2025
Investments measured at fair value through profit or loss		
Security receipts		
ARCIL - trust	59.80	36.97
Less: Impairment loss / Write off	59.80	34.15
Investments carried at Fair value through Profit or loss	**-**	**2.82**
Investments carried at amortised Cost		
Pass through certificates	99.95	38.94
Investment in Treasury Bill	58.19	-
Investments carried at amortised Cost	**158.14**	**38.94**
Investment in subsidiary at cost (unquoted)		
2,50,000 equity shares of RS 10 in Foundation for Advancement of Micro Enterprises (FAME)	0.25	0.25
Provision on investments **	0.25	0.25
Investments measured at cost (unquoted)	**-**	**-**
Gross investments	**218.19**	**76.16**
Based on region:		
Investments outside India	-	-
Investments in India	218.19	76.16
	218.19	**76.16**
Less: Allowance for impairment loss	60.05	34.40
	158.14	**41.76**

** During the financial year 2019-20 , the Company and its nominee had subscribed 2,50,000 equity shares of ₹ 10/- each of Foundation for Advancement of Micro Enterprises (FAME) (a Section 8 - Company as per Companies Act 2013). Foundation for Advancement of Micro Enterprises (FAME) became a wholly owned subsidiary of the Company w.e.f. 04/04/2019 by virtue of holding 2,50,000 equity shares equivalent to 100% share capital in Foundation for Advancement of Micro Enterprises (FAME) . Foundation for Advancement of Micro Enterprises (FAME) is prohibited to distribute any dividend / economic benefits to its members; hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of Foundation for Advancement of Micro Enterprises (FAME). Accordingly, the above investment does not meet the definition of control under Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements and the aforesaid investment value of ₹ 0.25 Cr has been impaired to the Statement of profit and loss for the year ended March 31, 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

7 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	As at March 31, 2026	As at March 31, 2025
Receivable from insurance company	7.09	5.56
Security deposits	4.11	3.81
Other receivables*	96.13	51.24
	107.33	**60.61**

* It includes Commission Income receivable & Excess interest spread against Direct Assignment deals.

8 CURRENT TAX ASSETS / (LIABILITIES)

	As at March 31, 2026	As at March 31, 2025
Current tax asset (Net)	19.45	17.89
	19.45	**17.89**
Current Tax liability (Net)	(4.58)	(4.58)
	(4.58)	**(4.58)**

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
Deferred tax assets (net)	53.38	60.98
	53.38	**60.98**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

10A PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	Net carrying amount
	As at April 01, 2025	Additions	Disposals	As at March 31, 2026	As at April 01, 2025	Depreciation for the year	Disposals	Adjustments	As at March 31, 2026	As at Mar 31, 2025
Furniture and fixtures	2.47	0.01	0.03	2.45	2.09	0.09	0.03	-	0.30	0.38
Office equipments	3.84	1.21	0.13	4.92	2.57	0.91	0.12	-	1.56	1.27
Electrical installations and equipments	2.04	0.67	0.02	2.69	0.95	0.39	0.02	-	1.37	1.09
Computers	25.68	6.85	2.43	30.10	17.13	7.66	2.27	-	7.58	8.55
Leasehold improvements	2.23	1.33	-	3.56	1.42	0.70	-	-	1.44	0.81
	36.26	**10.07**	**2.61**	**43.72**	**24.16**	**9.75**	**2.44**	**-**	**12.25**	**12.10**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	Net carrying amount
	As at April 01, 2024	Additions	Disposals	As at Mar 31, 2025	As at April 01, 2024	Depreciation for the year	Disposals	Adjustments	As at Mar 31, 2025	As at Mar 31, 2025
Furniture and fixtures	2.47	0.01	0.01	2.47	1.97	0.12	0.01	-	2.09	0.38
Office equipments	3.16	0.79	0.11	3.84	2.05	0.63	0.11	-	2.57	1.27
Electrical installations and equipments	1.19	0.85	0.00	2.04	0.69	0.26	0.00	-	0.95	1.09
Computers	18.15	8.88	1.35	25.68	11.39	7.01	1.27	-	17.13	8.55
Leasehold improvements	1.00	1.23	-	2.23	0.91	0.51	-	-	1.42	0.81
	25.97	**11.77**	**1.48**	**36.26**	**17.01**	**8.53**	**1.39**	**-**	**24.15**	**12.10**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

10B RIGHT OF USE ASSETS (ROU)

Carrying value of Right of Use Assets

Particulars	Buildings	Total
Balance at March 31, 2024	**21.43**	**21.43**
Additions	19.82	19.82
Deletions / Adjustments	3.78	3.78
Depreciation charge for the year	11.20	11.20
Balance at March 31, 2025	**26.27**	**26.27**
Additions	33.69	33.69
Deletions / Adjustments	1.66	1.66
Depreciation charge for the year	13.47	13.47
Balance at March 31, 2026	**44.83**	**44.83**

10C INTANGIBLE ASSETS

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	Net carrying amount
	As at April 01, 2025	Additions	Disposals	As at March 31, 2026	As at April 01, 2025	Depreciation for the year	Disposals	Adjustments	As at March 31, 2026	As at Mar 31, 2025
Computer software	9.64	5.54	1.01	14.17	7.39	3.09	0.96	-	4.65	2.25
	9.64	**5.54**	**1.01**	**14.17**	**7.39**	**3.09**	**0.96**	**-**	**4.65**	**2.25**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	Net carrying amount
	As at April 01, 2024	Additions	Disposals	As at Mar 31, 2025	As at April 01, 2024	Depreciation for the year	Disposals	Adjustments	As at Mar 31, 2025	As at Mar 31, 2024
Computer software	6.28	3.36	-	9.64	4.96	2.43	-	-	7.39	1.32
	6.28	**3.36**	**-**	**9.64**	**4.96**	**2.43**	**-**	**-**	**7.39**	**1.32**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

11 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	9.99	15.29
Employees advances	0.87	0.67
Others	6.57	7.82
	17.43	**23.78**

12 DERIVATIVE FINANCIAL INSTRUMENTS

	As at March 31, 2026	As at March 31, 2025
Carried at fair value [Assets / (Liability)]		
Cross currency swap rate contract not designated in hedge accounting relationship	77.97	0.24
	77.97	**0.24**

13 DEBT SECURITIES (AT AMORTISED COST)

	As at March 31, 2026	As at March 31, 2025
Redeemable non-convertible debentures		
Secured	1,070.50	1,407.75
Unsecured	-	10.38
	1,070.50	**1,418.13**
Based on region:		
Debt securities in India	1,070.50	1,418.13
Debt securities in outside India	-	-
	1,070.50	**1,418.13**

Note: Refer Note 13(i) below for the repayment details along with rate of interest and security details.

13 (I) DETAILS OF TERMS OF REPAYMENT FOR THE OTHER LONG-TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED OTHER LONG-TERM BORROWINGS

Particulars				As at March 31, 2026		As at March 31, 2025	
ISIN	Issuance Date	Redemption Date	Interest Rate	Secured	Unsecured	Secured	Unsecured
INE501X07430	18-May-23	30-Apr-25	10.70%	-	-	9.30	-
INE501X07380	08-Feb-23	08-May-25	11.25%	-	-	1.67	-
INE501X07257	21-Dec-21	13-May-25	10.20%	-	-	0.00	-
INE501X07398	15-Feb-23	15-May-25	11.25%	-	-	3.00	-
INE501X07125	26-Jun-19	26-Jun-25	13.00%	-	-	26.25	-
INE501X07364	06-Dec-22	31-Jul-25	12.55%	-	-	10.00	-
INE501X07547	23-Feb-24	23-Aug-25	9.50%	-	-	50.00	-
INE501X07505	25-Sep-23	31-Aug-25	10.75%	-	-	12.50	-
INE501X07299	29-Jul-22	10-Sep-25	11.16%	-	-	31.00	-
INE501X07315	20-Sep-22	20-Sep-25	11.20%	-	-	26.00	-
INE501X07513	27-Sep-23	27-Sep-25	11.00%	-	-	6.25	-
INE501X07562	22-Mar-24	07-Oct-25	9.50%	-	-	50.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Particulars				As at March 31, 2026		As at March 31, 2025	
ISIN	Issuance Date	Redemption Date	Interest Rate	Secured	Unsecured	Secured	Unsecured
INE501X07349	15-Nov-22	15-Nov-25	11.20%	-	-	31.00	-
INE501X08081	24-Jan-24	24-Jan-26	11.60%	-	-	-	10.42
INE501X07612	25-Jul-24	25-Jan-26	10.60%	-	-	50.00	-
INE501X07554	06-Mar-24	06-Mar-26	10.75%	-	-	45.00	-
INE501X07604	20-Jun-24	20-Mar-26	10.25%	-	-	125.00	-
INE501X07620	28-Aug-24	28-Aug-26	10.50%	18.75	-	56.25	-
INE501X07539	24-Nov-23	15-Sep-26	11.15%	24.50	-	50.00	-
INE501X07588	17-May-24	17-Nov-26	10.50%	25.00	-	25.00	-
INE501X07588	15-Jul-25	17-Nov-26	10.50%	30.00	-	-	-
INE501X07653	31-Dec-24	31-Dec-26	9.95%	25.00	-	25.00	-
INE501X07661	20-Mar-25	20-Mar-27	9.95%	80.00	-	80.00	-
INE501X07646	31-Dec-24	31-Mar-27	10.10%	47.22	-	85.00	-
INE501X07570	30-Apr-24	30-Apr-27	10.50%	51.00	-	51.00	-
INE501X07570	13-Jun-24	30-Apr-27	10.50%	49.00	-	49.00	-
INE501X07703	30-Jun-25	30-Jun-27	10.25%	50.00	-	-	-
INE501X07729	12-Sep-25	12-Sep-27	10.05%	150.00	-	-	-
INE501X07638	09-Oct-24	09-Oct-27	10.50%	75.00	-	75.00	-
INE501X07679	20-Mar-25	20-Dec-27	10.35%	40.00	-	40.00	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	0.00	-	32.73	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	0.00	-	32.73	-
INE501X07711	12-Sep-25	12-Mar-28	10.10%	80.00	-	-	-
INE501X07695	30-Jun-25	30-Mar-28	10.40%	25.00	-	-	-
INE501X07687	20-Jun-25	17-Apr-29	11.00%	20.00	-	-	-
INE501X07596	31-May-24	30-May-29	11.30%	199.20	-	249.00	-
INE501X07521	29-Sep-23	27-Sep-29	11.60%	76.50	-	76.50	-
				1,066.17	**-**	**1,404.18**	**10.42**
Accrued Interest				13.89	-	19.48	0.02
EIR Impact				(9.56)	-	(15.91)	(0.06)
Total				**1,070.50**	**-**	**1,407.75**	**10.38**

Note : Secured Non-Convertible Debentures of the Company are secured by way of first exclusive charge on hypothecated book debts of the Company up to the extent minimum of 100% of the amount outstanding.

14 BORROWINGS (OTHER THAN DEBT SECURITIES AT AMORTISED COST)

	As at March 31, 2026	As at March 31, 2025
Borrowings measured at amortised cost:		
Secured		
INR Term loans		
From banks	1,300.60	1,206.52
From other financial institutions	745.46	606.69
External commercial borrowings	488.20	199.73
FCNR Term loans		
From banks	84.91	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Unsecured		
Term loans		
From other financial institutions	1.12	39.68
External commercial borrowings	143.20	129.38
Liabilities in respect of securitised transactions		
From banks	333.37	147.91
From non-banking financial companies	850.27	777.22
Loans repayable on demand*		
From banks	-	1.07
From other financial institutions	-	-
	3,947.13	**3,108.20**
Borrowings in India	3,315.73	2,779.09
Borrowings outside India	631.40	329.11
	3,947.13	**3,108.20**

* Secured by hypothecation of specific loan receivables (current and future) / cash and cash equivalents of the Company.

Refer Note 14(i) below, for the repayment details along with rate of interest and security details.

14 (I) DETAILS OF TERMS OF REPAYMENT FOR THE OTHER LONG-TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED OTHER LONG-TERM BORROWINGS:

a) Terms of principal repayment of borrowings (other than debt securities & securitisation) as on March 31, 2026

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet									
10.51% to 11.00%	-	-	-	-	2	283.96	-	-	283.96
12.51% to 13.00%	1	130.81	-	-	-	-	-	-	130.81
13.01% to 13.50%	1	32.70	1	108.85	-	-	1	33.13	174.68
Monthly									
7.51% to 8.00%	2	2.08	18	14.99	-	-	-	-	17.07
8.51% to 9.00%	4	13.33	-	-	-	-	-	-	13.33
9.01% to 9.50%	14	8.33	36	65.35	-	-	36	50.00	123.69
9.51% to 10.00%	26	45.75	254	428.12	58	67.92	45	93.75	635.54
10.01% to 10.50%	44	54.08	255	264.03	111	180.80	-	-	498.91
10.51% to 11.00%	49	81.74	22	22.74	152	254.48	-	-	358.95
11.01% to 11.50%	23	13.31	51	70.19	-	-	-	-	83.50
11.51% to 12.00%	1	1.97	-	-	-	-	-	-	1.97
12.01% to 12.50%	1	1.11	-	-	-	-	-	-	1.11
Quarterly									
6.51% to 7.00%	-	-	-	-	10	84.89	-	-	84.89
8.51% to 9.00%	-	-	-	-	10	30.00	-	-	30.00
9.51% to 10.00%	4	37.50	20	71.30	-	-	-	-	108.80
10.01% to 10.50%	6	22.96	26	120.83	-	-	-	-	143.78
10.51% to 11.00%	4	13.74	-	-	-	-	-	-	13.74
11.01% to 11.50%	-	-	5	20.76	10	0.07	-	-	20.82
Yearly									
13.01% to 13.50%	1	31.55	-	-	-	-	-	-	31.55
Accrued Interest									15.46
EIR Impact									(9.09)
Total	**181**	**490.96**	**688**	**1,187.17**	**353**	**902.11**	**82**	**176.88**	**2,763.49**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

b) Terms of principal repayment of borrowings (securitisation) as on March 31, 2026

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Monthly									
9.01% to 9.50%	-	-	-	-	26	84.00	-	-	84.00
9.51% to 10.00%	-	-	53	285.78	-	-	11	28.19	313.96
10.01% to 10.50%	-	-	32	377.24	13	190.78	23	73.24	641.26
10.51% to 11.00%	-	-	10	142.91	-	-	-	-	142.91
Accrued Interest									3.24
EIR Impact									(1.73)
Total	**-**	**-**	**95**	**805.92**	**39**	**274.78**	**34**	**101.42**	**1,183.64**

14 (I) DETAILS OF TERMS OF REPAYMENT FOR THE OTHER LONG-TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED OTHER LONG-TERM BORROWINGS:

a) Terms of Principal Repayment of Borrowings (other than debt securities & securitisation) as on March 31, 2025

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet									
11.01% to 11.50%	1	1.07						-	1.07
12.51% to 13.00%	-	-	1	110.79	-	-	-	-	110.79
13.01% to 13.50%	-	-	1	27.70	1	98.42	-	-	156.07
Monthly									
8.01% to 8.50%	-	-	14	14.58	-	-	-	-	14.58
9.01% to 9.50%	10	15.63	-	-	-	-	-	-	15.63
9.51% to 10.00%	31	63.33	16	53.33	-	-	-	-	116.67
10.01% to 10.50%	29	44.64	133	201.44	113	100.50	36	50.00	396.58
10.51% to 11.00%	46	62.50	161	229.12	118	99.18	46	143.75	534.54
11.01% to 11.50%	45	66.74	151	103.29	99	149.03	-	-	319.05
11.51% to 12.00%	48	93.53	13	22.92	-	-	-	-	116.45
12.01% to 12.50%	-	-	13	14.44	-	-	-	-	14.44
Quarterly									
10.01% to 10.50%	-	-	14	52.11	21	40.83	-	-	92.94
10.51% to 11.00%	3	7.50	14	90.00	20	87.49	-	-	184.99
11.01% to 11.50%	2	5.71	-	-	-	-	-	-	5.71
11.51% to 12.00%	3	7.50	6	26.25	-	-	-	-	33.75
12.01% to 12.50%	6	9.38	-	-	-	-	-	-	9.38
Yearly									
13.01% to 13.50%	-	-	2	57.05	-	-	-	-	57.05
Accrued Interest									10.85
EIR Impact									(7.47)
Total	**224**	**377.53**	**539**	**1,003.02**	**372**	**575.45**	**82**	**193.75**	**2,183.07**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

b) Terms of Principal Repayment of Borrowings (securitisation) as on March 31, 2025

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Monthly									
9.51% to 10.00%	28	42.44	-	-	-	-	-	-	42.44
10.01% to 10.50%	60	117.10	89	409.36	13	172.25	-	-	698.71
10.51% to 11.00%	-	-	-	-	20	183.22	-	-	183.22
Accrued Interest									2.99
EIR Impact									(2.23)
Total	**88**	**159.54**	**89**	**409.36**	**33**	**355.47**	**-**	**-**	**925.13**

15 LEASE LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Lease liabilities	47.47	28.41
	47.47	**28.41**

16 OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Employee benefit payable	9.75	10.04
Expenses payable*	52.81	17.78
Payables on purchase of property, plant and equipment	0.17	0.35
Other financial liabilities	19.02	19.96
	81.75	**48.13**

*It includes Provision of IPO issue expense of both company's fresh issue of ₹ 21.06 crores and selling shareholder shares of ₹ 8.91 crores and also includes creditors for expenses.

17 PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity (Refer Note 35)	18.51	13.06
Provision for compensated absences (Refer Note 35)	10.24	5.85
Provision for bonus	25.58	24.42
	54.33	**43.33**

18 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	11.93	11.80
EMI and interest received in advance from customers (including Pre EMI)	19.37	14.72
Goods and service tax payable	3.13	2.46
Others	0.04	-
	34.47	**28.98**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

19 EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorized		
41,00,00,000 (March 31, 2025: 41,00,00,000 Shares) Equity shares of ₹ 2 each with voting rights	82.00	82.00
	82.00	82.00
Issued, subscribed and paid-up		
24,67,84,266 (March 31, 2025: 19,17,41,570 Shares) Equity shares of ₹ 2 each with voting rights	49.36	38.35
Less: amount recoverable from ESOP Trust (face value of 22,85,389 shares of ₹ 2 each held by trust) (March 31, 2025: 28,01,470)	(0.46)	(0.56)
	48.90	**37.79**

Details of shares held by promoters **		March 31, 2026		March 31, 2025	
S. No.	Promoter name	No. of shares	% of total shares	No. of shares	% of total shares
Nil	Nil	Nil	Nil	Nil	Nil

** Disclosure is given as per annual return filed under section 92 of the Companies Act, 2013 for the year ending March 31 ,2025.

19.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening balance	Fresh issue & Exercise of Esop	CCPS and Warrant Conversion	Additional shares pursuant to share split during the year*	Closing balance
As at March 31, 2026					
Equity shares of face value ₹2 each with voting rights					
No. of shares	19,17,41,570	5,50,42,696	-	-	24,67,84,266
Amount	38.35	11.01	-	-	49.36
As at March 31, 2025					
Equity shares of face value ₹2 each with voting rights					
No. of shares	48,30,520	21,39,125	3,13,78,669	15,33,93,256	19,17,41,570
Amount	4.83	2.14	31.38	-	38.35
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 10 each					
No. of shares	2,61,82,448	-	-	(2,61,82,448)	-
Amount	26.18	-	-	(26.18)	-
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 20 each					
No. of shares	47,39,244	-	-	(47,39,244)	-
Amount	9.48	-	-	(9.48)	-

*Refer note 32.1

19.2 Terms, rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

19.3 During the financial year ended March 31, 2025, the Company had allotted 3,04,29,293 equity shares of INR 10 each on conversion of 3,09,21,692 0.01% Compulsory Convertible Preference Shares ('CCPs') on September 23, 2024 as per the agreed terms to CCPS holders as per the below details*:-

Sr. No.	Series	No. of CCPS	Face Value (in INR)	No. of Equity Shares on Conversion at a Face Value of INR 10 each
1	Series A	20,68,764	10	20,68,764
2	Series A1	29,35,726	10	29,35,726
3	Series B	65,56,360	10	65,56,360
4	Series C	57,36,709	10	57,36,709
5	Series D	54,75,089	10	54,75,089
6	Series E	34,09,800	10	34,09,800
7	Series F	47,39,244	20	42,46,845
Total		**3,09,21,692**		**3,04,29,293**

*The impact of share split has not been considered in the above details. Refer Note 32.1

19.4 Mr. Sanjay Sharma had exercised his rights to convert 9,49,376 warrants into equivalent equity shares and paid remaining amount of ₹ 653.11 per warrant. Post that Company allotted him 9,49,376 equity shares of INR 10 each on September 24, 2024.

The Company had also allotted 21,39,125 equity shares of the Company of face value of ₹ 10 each at a premium of ₹ 868.63 on September 26, 2024 as per share subscription agreement dated September 18, 2024 entered into by and amongst the Company, IMP2 Assets Pte. Ltd. ("ABC Impact"), British International Investment plc ("BII"), Mr. Sanjay Sharma, Shvet Corporation LLP and Shankh Corporation LLP, and the amended and restated shareholders' agreement dated September 18, 2024 entered by and amongst inter alia the Company, BII and ABC Impact.

*The impact of share split has not been considered in the above details. Refer Note 32.1

19.5 Details of equity shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	%	Number of shares held	%
Equity shares with voting rights				
A91 Emerging Fund I LLP	1,77,15,595	7.18%	1,77,15,595	9.24%
Elevation Capital V Limited	3,10,67,645	12.59%	3,10,67,645	16.20%
LGT Capital Invest Mauritius PCC	2,47,94,509	10.05%	2,71,20,090	14.14%
CapitalG LP	1,32,91,337	5.39%	1,96,86,685	10.27%
Alpha Wave India I LP	1,91,88,604	7.78%	2,15,14,185	11.22%
British International Investment plc	1,82,62,595	7.40%	1,82,62,595	9.52%
MAJ Invest Financial Inclusion Fund II K/S	6,21,659	0.25%	1,14,56,000	5.97%
IMP2 Assets Pte. Ltd.	1,36,57,490	5.53%	1,36,57,490	7.12%
BNP Paribas Financial Markets-ODI	1,37,34,683	5.57%	-	0.00%

19.6 Number of shares reserved for share options

	As at March 31, 2026	As at March 31, 2025
Equity shares of ₹ 2 fully paid up		
Number of shares reserved for ESOPs	**76,82,502**	**74,54,306**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

19.7 Number of shares reserved for warrants

	As at March 31, 2026	As at March 31, 2025
Equity shares of ₹ 1 fully paid up		
Number of shares reserved for warrants	-	-

19.8 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares

The Company have not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

19.9 Shares bought back

Company have not bought back any of its securities during the five year period immediately preceding the reporting date.

20 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Securities premium		
Opening balance	1,196.64	951.95
Add: Premium on shares issued during the year (Refer Note 55.2 and Note 55.3)	701.92	246.94
Less: Share issue expenses (Refer Note 55.2)	(37.75)	(2.25)
Closing balance	**1,860.81**	**1,196.64**
Share Application Money Pending Allotment (Refer Note 55.4)	**0.09**	**-**
Share option outstanding account		
Opening balance	31.15	21.91
Add: Deferred stock compensation expense	8.15	9.24
Add:Profit on sale of Investment in ESOP shares	0.29	
Less: Utilisation of deferred stock compensation expense	(2.66)	-
Closing balance	**36.93**	**31.15**
Statutory reserve		
Opening balance	92.61	58.36
Add: Amount transferred from surplus of profit and loss	38.73	34.25
Closing balance	**131.34**	**92.61**
Retained earnings - other than remeasurement of post employment benefit obligation		
Opening balance	297.78	160.76
Add: Profit for the year	193.63	171.27
Less: Transfer to statutory Reserve	(38.73)	(34.25)
Closing balance	**452.68**	**297.78**
Retained earnings - remeasurement of post employment benefit obligation		
Opening balance	2.38	3.10
Add: Comprehensive income for the year	(0.42)	(0.72)
Closing balance	**1.96**	**2.38**
Total	**2,483.81**	**1,620.56**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Nature and purpose of reserves

Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium reserves

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Employee stock outstanding account

In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The Company has approved stock option schemes - ESOP Scheme 2016, 2020 and 2024 on August 05, 2016, November 10, 2020 and June 26, 2024 respectively as amended from time to time.

The Administrator (i.e. Nomination and Remuneration Committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP schemes, each option consists of one equity share. Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company and shareholders . Such options are exercisable for a period following vesting at the discretion of the Board of Directors of the Company , subject to the conditions prescribed in the ESOP schemes as amended from time to time.

Retained earnings - other than remeasurement of post employment benefit obligation

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.

Retained earnings - remeasurement of post employment benefit obligation

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss.

Share Application Money Pending Allotment

The amount received from employees on exercise of stock options is accounted as Share application money pending allotment. Upon allotment, the amount received corresponding to the shares allotted against the options exercised is transferred to Share capital and Securities premium account (if applicable) and taxes (if applicable) recovered from employees are also adjusted accordingly.

21 INTEREST INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
On Financial Assets measured at amortised cost		
Interest on loans to customers	1,534.88	1,302.63
Interest on deposits with banks	31.77	23.33
Interest income on treasury bill	0.78	-
	1,567.43	**1,325.96**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

22 FEES AND COMMISSION INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Servicing fee	4.51	2.18
Application fee	18.12	13.40
Delay payment charges, registration charges, cheque dishonour charges etc.	50.91	38.84
	73.54	**54.42**

23 NET GAIN/(LOSS) ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on derecognition of financial instruments under amortised cost category	67.97	37.59
	67.97	**37.59**

24 NET GAIN ON FAIR VALUE CHANGES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Investments		
Gain on sale of mutual funds	28.06	38.37
Gain on fair value of cross currency swap	77.73	3.39
	105.79	**41.76**
Realised gain	28.06	38.37
Unrealised gain	77.73	3.39
	105.79	**41.76**

25 OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Miscellaneous income	48.13	44.72
Profit on early termination of lease	0.27	0.50
Profit on sale of assets	0.11	0.04
	48.51	**45.26**

26 FINANCE COST

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on:		
Debt securities	150.22	152.29
Borrowings (other than debt securities)	351.09	286.31
Lease liabilities	6.97	4.57
Delayed payment of statutory dues	0.05	0.49
Other finance cost*	25.74	24.34
	534.07	**468.00**

* Borrowing cost includes interest expense calculated using the EIR method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

27 NET LOSS ON FAIR VALUE CHANGES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss on currency fluctuation	66.77	3.62
	66.77	**3.62**

28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Measured at amortised cost		
Impairment on financial instruments at amortised cost	60.57	81.88
Amounts written off (net of recovery)	264.61	203.49
Loss on settlement	10.46	2.93
Impairment Provision on Staff Loans	0.09	0.53
	335.73	**288.83**

29 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	400.10	314.15
Contribution to provident and other funds	28.46	23.27
Expense on employee stock option (ESOP) scheme [Refer note 39]	8.16	9.24
Staff welfare expenses	52.13	29.23
Gratuity expenses	5.90	3.75
	494.75	**379.64**

30 OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent	-	-
Rates and taxes	4.29	4.19
Communication costs	5.21	5.58
Printing and stationery	2.62	2.30
Legal and Professional charges	32.27	22.96
Directors fees	0.79	0.55
Payment to auditors [Refer Note 30.1]	0.94	0.86
Corporate social responsibility (CSR) [Refer Note 31]	3.47	1.75
Membership and subscription fees	22.12	16.72
Travel and conveyance	44.46	33.73
Tour and travelling	10.29	9.48
Electricity expenses	1.91	1.95
Office expenses	9.31	7.00
CGFMU guarantee fee	9.76	-
Bank charges	4.68	3.58
Loss on sale of property, plant and equipment's	0.06	-
Miscellaneous expenses	6.13	7.08
	158.31	**117.73**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

30.1 Payment to auditors

	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory audit	0.49	0.45
Limited review	0.19	0.18
Tax audit	0.08	0.06
Other certifications	0.11	0.11
Out of Pocket Expense	0.07	0.06
	0.94	**0.86**

Note:

1. For the year ended March 31, 2026, The above amount includes ₹ 0.07 Crores (31 March 2025: ₹ 0.06 Crores)towards of GST, for which 50% input credit is not available.
2. For the year ended March 31, 2026, the Company has incurred ₹ 0.99 Crores (31 March 2025: ₹ 0.71 Crores) towards service received from the auditors of the Company in relation to the Initial Public Offering (IPO). The amount is inclusive of GST, for which 50% input credit is not available and Out of pocket expense.The same was adjusted against securities premium.

31 DISCLOSURE PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	As at March 31, 2026	As at March 31, 2025
Amount required to be spent by the Company during the year	3.47	1.55
Amount spent during the year ending on March 31, 2026		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above**	3.47	1.75
(c) Shortfall/(excess) at the end of the year	Nil	Nil
(d) Total of Previous year shortfall	Nil	Nil
(e) Reason for shortfall	NA	NA
(f) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision.	NA	NA

** For the purpose of Dairy program, Footwear Program, Sports Program, Kirana program, Women Empowerment etc.

Note: 1 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (refer note no 36).

Note: 2 The Company has undertaken CSR Activities as per schedule VII of the Companies Act, 2013.

32 EARNINGS PER SHARE

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (Loss) attributable to equity holders	193.63	171.27
Less: Preference dividend	-	-
Net Profit / (Loss) attributable to equity holders	193.63	171.27
Weighted average number of equity shares outstanding during the year - for Basic EPS	19,89,80,903	18,43,15,270
Effect of dilutive potential equity share equivalent	28,10,330	33,82,160
Weighted average number of equity shares outstanding during the year - for Dilutive EPS	20,17,91,233	18,76,97,430
Basic earnings per share (₹)	9.73	9.29
Diluted earnings per share (₹)	9.60	9.12
Nominal value per share (₹)	2.00	2.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

32.1 The Board of Directors of the Company in the Board meeting dated October 16, 2024 and Shareholders of the company in the Extra Ordinary General Meeting dated October 17, 2024 have approved the re-classification and sub-division of each of the Equity Share of the Company having a face value of ₹ 10/- each in the Equity Share Capital of the Company, into 5 Equity Shares having a face value of ₹ 2/- each.

33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	As at March 31, 2026	As at March 31, 2025
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments related to loans sanctioned but not disbursed	63.18	41.13

	As at March 31, 2026	As at March 31, 2025
(b) Contingent liability		
Income Tax laws	12.95	10.04
TDS demand	2.85	2.85
GST demand	-	0.09

34 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. granting loans, which has similar risks and returns for the purpose of Ind AS 108 “Operating segments”, and is considered to be the only reportable business segment. Further, the Company is operating in India which is considered as a single geographical segment."

35 EMPLOYEE BENEFITS

35.1 Defined contribution plans

The Company has Defined Contribution Plans for post-employment benefits namely Provident Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Company contributes to a Government administered Provident Fund, Employees’ Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the Company contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

The Company contributes to State Plans namely Employees’ State Insurance Fund and has no further obligation beyond making the payment to them.

The Company’s contributions to the above funds are charged to revenue every year.

The company has recognized an expense of ₹ 28.46 Crores (Previous year ₹ 23.27 Crores) towards the defined contribution plans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

35.2 Other long-term benefits

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation which is unfunded. The Company recognised rupees 6.49 crores (March 31, 2025: rupees 7.14 crores) for compensated absences in the statement of profit and loss.

35.3 Defined benefit plans

The Company's gratuity scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service or part thereof in excess of six months in terms of provisions of Gratuity Act, 1972. Vesting occurs upon completion of five years of service which is unfunded.

The present value of 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.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet:

(a) Amount recognised in the statement of profit and loss and other comprehensive income:

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	4.20	3.08
Past service cost	0.78	-
Interest expense	0.92	0.67
Amount recognised in the statement of profit and loss	**5.90**	**3.75**
Remeasurement of defined benefit liability:		
Actuarial (gain) / loss from changes in demographic assumptions	-	-
Actuarial (gain) / loss from changes in financial assumptions	(0.75)	0.13
Actuarial (gain) / loss from experience adjustments	1.32	0.84
Amount recognised in other comprehensive income	**0.56**	**0.97**
	6.46	**4.72**

(b) Reconciliation of fair value plan assets and defined benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	18.51	13.06
Net defined (asset) / liability recognised in the balance sheet	**18.51**	**13.06**

(c) Actual contributions and benefit payments during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Actual benefit payments	(1.02)	(0.91)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(d) Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at beginning of the year	13.06	9.25
Current service cost	4.20	3.08
Past service cost	0.78	-
Interest expense	0.92	0.67
Remeasurement (gains) / losses		
Actuarial (gain) / loss from changes in financial assumptions	(0.75)	0.13
Actuarial (gain) / loss from experience adjustments	1.32	0.84
Actuarial (gain) / loss from changes in demographic assumptions	-	-
Benefits paid	(1.02)	(0.91)
Defined benefit obligation at end of the year	**18.51**	**13.06**

(e) Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at beginning of the year	-	-
Fair value of plan assets at end of the year	-	-

35.4 The principal assumptions used in determining obligations for the Company's plan are shown below:

	As at March 31, 2026	As at March 31, 2025
Discount rate (in %)	7.90%	7.04%
Future salary increase (in %)	10.00%	10.00%
Retirement age	58.00	58.00
Demographic assumptions		
Attrition		
Upto 30 years	33.10%	33.10%
31-44 years	28.40%	28.40%
Above 44 years	6.20%	6.20%
Mortality	**IALM (2012-14)**	**IALM (2012-14)**

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Present value of obligation at the end of the period	18.51	13.06
Effect of +50 basis points in rate of discounting	(0.43)	(0.32)
Effect of -50 basis points in rate of discounting	0.45	0.34
Present value of obligation at the end of the period	18.51	13.06
Effect of +50 basis points in rate of salary increase	0.39	0.29
Effect of -50 basis points in rate of salary increase	(0.37)	(0.28)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/ (loss) adjustments on plan liabilities	Estimated gain/ (loss) adjustments on plan assets
2025-26	18.51	-	1.32	-
2024-25	13.06	-	0.84	-
2023-24	9.25	-	0.50	-
2022-23	6.78	-	(0.46)	-
2021-22	9.24	-	(1.15)	-
2020-21	7.45	-	0.34	-
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-

35.5 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short-term / long term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 0.2 crores).

36 RELATED PARTY DISCLOSURES

Disclosures in accordance with the requirements of Ind AS 24 on Related Party Disclosures, as identified and certified by the management, are set out as below:

36.1 Details of related parties:

Description of relationship	Names of related parties
Key Managerial Personnel (KMP)	Mr. Sanjay Sharma - Managing Director
	Mr. Krishan Gopal - Chief Financial Officer (up to January 10, 2026)
	Mr. Sovan Satyaprakash - Interim Chief Financial Officer (w.e.f. January 11, 2026)
	Ms. Tripti Pandey - Company Secretary, Compliance Officer & CCO (up to May 24, 2024)
	Mr. Vipul Sharma- Company Secretary , Compliance Officer & CCO (w.e.f. May 25,2024)
Independent directors	Mr. Vinay Baijal (w.e.f. August 16, 2024)
	Mr. Govinda Rajulu Chintala
	Ms. Kanika Tandon Bhal
	Mr. Sanjaya Gupta
	Ms. Padmaja Nair (w.e.f. October 17, 2024)
Non-Executive, Non-Independent Directors	Mr. Vivek Kumar Mathur (up to December 11, 2024)
	Mr. Navroz Darius Udwadia (up to December 11, 2024)
	Mr. Kartik Srivatsa (up to December 11, 2024)
	Mr. Kaushik Anand Kalyana Krishnan (up to December 11, 2024)
	Mr. Aditya Misra (w.e.f. September 28, 2024)
	Mr. Gaurav Malhotra (w.e.f. June 26,2024 to up to December 11, 2024)
Entities over which KMP's have significant influence	Aye Finance Employee Welfare Trust
Entities exercising significant influence over the Company	Elevation Capital V Limited (formerly known as SAIF Partners India V Ltd.)
	Alpha Wave India I LP (formerly known as Falcon Edge India I LP) (Upto February 15,2026)
	A91 Emerging Fund I LLP (Upto February 15,2026)
	LGT Capital Invest Mauritius PCC with Cell E/VP
	CapitalG LP (Upto February 15,2026)
	CapitalG International LLC (Upto February 15,2026)
	British International Investment PLC (Upto February 15,2026)
Wholly - owned subsidiary company	Foundation for Advancement of Micro Enterprises (Section 8 Company)
Relatives of KMP	Ms. Namrata Sharma
	Mr. Shashwat Sharma

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

36.2 Details of related party transactions during the year ended March 31, 2026 and outstanding balance as at March 31, 2026:-

(i) Transactions with related parties:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Managerial remuneration		
Short term employee benefits (Director)	**4.67**	**4.21**
Mr. Sanjay Sharma	4.67	4.21
Short term employee benefits (Relative of Director)	**0.17**	**0.15**
Mr. Shashwat Sharma	0.17	0.15
Short term employee benefits (KMP other than directors)	**2.17**	**1.92**
Mr. Sovan Satyaprakash	0.16	-
Mr. Krishan Gopal	1.52	1.62
Ms. Tripti Pandey	-	0.03
Mr. Vipul Sharma	0.48	0.27
Post employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	**0.12**	**1.07**
Mr. Krishan Gopal	-	1.05
Ms. Tripti Pandey	-	0.00
Mr. Vipul Sharma	0.06	0.02
Mr. Sovan Satyaprakash	0.06	-
(i) Excluding provision for gratuity and compensated absences as the same are actuarially determined for the Company as a whole and thus not separately ascertainable for the Director		
(b) Director's sitting fee	0.79	0.55
(c) Grant of ESOPs (KMP)	0.03	0.39
(d) Corporate social responsibility		
Foundation for Advancement of Micro Enterprises (FAME)	3.47	1.75
(e) Rent received		
Foundation for Advancement of Micro Enterprises (FAME)	0.04	0.04
(f) Advances Given during the year		
Advance for CSR to FAME	3.47	2.00
Foundation for Advancement of Micro Enterprises (FAME)	-	0.03
(g) Reimbursement received		
Balance against advance received back	0.26	-
Foundation for Advancement of Micro Enterprises (FAME)	-	0.03
(h) Loan given to KMP		
Mr. Krishan Gopal	-	0.36
Mr. Sovan Satyaprakash	0.19	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(ii) Balance outstanding at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Long term loans and advances		
Foundation for Advancement of Micro Enterprises (FAME)	-	0.26
Loan given to KMP (Mr. Krishan Gopal)	-	0.33
Loan given to KMP (Mr. Sovan Satyaprakash)	0.18	-
(b) Investment in subsidiary company		
Foundation for Advancement of Micro Enterprises (FAME) (Refer Note 6)	-	-

(iii) Loans and advances in nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Type of borrower	Amount of loan or advance in nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Nil	Nil	Nil

(iv) No borrowings were guaranteed by the directors during the years ended March 31, 2026 and March 31, 2025.

(v) All the related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors for approval and review on quarterly basis.

37 INTANGIBLE ASSET UNDER DEVELOPMENT

	As at March 31, 2026	As at March 31, 2025
Intangible asset under development	-	4.13
	-	**4.13**

37.1(a) Intangible asset under development ageing schedule

As at March 31, 2025

Intangible asset under development	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Projects in progress					
Mobile APP	0.36	-	-	-	0.36
Product Development App	0.54	0.25	-	-	0.79
ML APP	2.98	-	-	-	2.98
	3.88	**0.25**	**-**	**-**	**4.13**

37.1(b) Movement of Intangible asset under development

Particulars	Mobile App	Product Development App	ML APP	Adrenalin	Total
Amount as at April 01, 2024	**-**	**0.25**	**2.70**	**-**	**2.95**
Additions During the year	0.36	0.54	3.02	0.14	4.06
Less: Amount capitalized in Intangible assets	-	-	2.74	0.14	2.88
Balance as at March 31, 2025	**0.36**	**0.79**	**2.98**	**-**	**4.13**
Amount as at April 01,2025	**0.36**	**0.79**	**2.98**	**-**	**4.13**
Additions During the year	0.02	-	1.32	-	1.34
Less: Amount capitalized in Intangible assets	0.38	0.79	4.30	-	5.47
Balance as at March 31, 2026	**-**	**-**	**-**	**-**	**-**

37.2 Intangible asset under development Completion schedule

There is no intangible asset under development as on March 31,2026

38 RATIO ANALYSIS AND IT'S ELEMENTS**

Ratio	As at March 31, 2026	As at March 31, 2025	% Variance	Reason for Variance (if above 25%)
(a) Capital to risk -weighted assets ratio (CRAR)	42.24%	34.92%	20.97%	Not applicable
(b) Tier I CRAR	42.24%	34.92%	20.97%	Not applicable
(c) Tier II CRAR	0.00%	0.00%	0.00%	Not applicable
(d) Liquidity coverage ratio	205.16%	358.39%	(42.76%)	Refer Note 1

** Based on the requirement of the Schedule III

Note 1 : LCR for March 2026 decreased to 205.16%, down from 358.39% in March 2025. This decline is attributed to a significant amount of liabilities being repaid in March 2026, resulting in higher cash outflows compared to the previous period.

39 EMPLOYEE SHARE BASED PAYMENTS

The Company at its Annual General Meeting (AGM) held on August 05, 2016 had approved an Employee Stock Option Plan 2016 ('the Plan') with initial pool of 19,32,080 options and had authorised the Company to issue stock options under the above plan. At the AGM held on September 30, 2019, additional 8,69,390 shares were added to this plan. The Company has provided loan to Aye Finance Employee Welfare Trust for purchase of total 28,01,470 Equity shares (ESOP Shares) from the existing shareholders.

In Extraordinary General Meeting (EGM) held on November 10, 2020, the ESOP Plan 2016 was discontinued and balance 5,78,755 shares of ESOP pool were transferred to a new Employee Stock Option Plan (ESOP 2020 Plan) . In the EGM dated November 10, 2020, resolution was passed for approval of a new Employee Stock Option Plan 2020 ('the ESOP 2020 Plan') with initial pool size of 31,64,590 options which has been increased to 43,10,250 options from time to time and authorised the Company to issue stock options under the above plan.

In financial year 2024, to further enhance employee engagement and retention, the Company introduced a new Employee Stock Option Plan in 2024 ('the ESOP 2024 Plan'). At the Extraordinary General Meeting held on June 26, 2024, a total of 15,82,295 options were approved for the 2024 scheme. At the EGM held on August 16, 2024, additional 20,00,000 options were added to this plan and at the EGM held on September 28, 2024, another 20,00,000 options were added to this plan.

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The vesting period for the options in ESOP 2016 Plan, ESOP 2020 Plan and ESOP 2024 Plan is 4 years (with 10%, 20%, 30% and 40% annual vesting under the ESOP 2016 Plan and 25% annual vesting under the ESOP 2020 Plan and ESOP 2024 Plan) commencing from the date of grant of options or as may be decided by the NRC at the time of grant of the options. The options granted under each Plan are equity-settled. The Company's equity shares were listed on February 16, 2026. Pursuant to the listing, and in accordance with the terms of the ESOP Plans, vesting of certain options was accelerated, resulting in immediate vesting of 7,13,909 options under ESOP Plan 2020 and 3,26,297 options under ESOP Plan 2024 and accelaration of vesting by one year for 4,89,497 unvested options under ESOP Plan 2020 and 6,52,591 unvested options under ESOP Plan 2024.

The exercise period of vested options is five (5) years from the date of listing for options vested prior to listing and five (5) years from the date of vesting in case of options vesting after the listing date. However options, which have vested after the listing date, in the hands of an employee leaving the organisation can only be exercised uptill the last working day of the employee. The Company, during the year ended March 31, 2026, has granted 14,54,462 stock options, to the eligible employees in accordance with the Company's Employee Stock Option Scheme(s). Pursuant to exercise of Options by certain employees of the Company under ESOP Plans 2016, 2020 & 2024, the Nomination & Remuneration Committee through resolution by circulation dated November 26, 2025 had approved the transfer of 5,16,081 Equity Shares from Aye Finance Employees Welfare Trust and also allotted 3,937 Fresh Equity Shares having face value of INR 2 each to Employees upon Exercise of Vested Options . For option granted during the Year Fair valuation has been carried at the grant date using the Black-Scholes Model as shares of the Company was not listed on any stock exchange at the time of these grants. Accordingly, the expected median volatility for listed peer group has been considered.

Option granted under the ESOP 2016 Plan are exercisable through the trust route. Option granted under the ESOP 2020 Plan, which were earlier exercisable through both trust and direct routes, post listing are exercisable through the trust route only. Options granted under the ESOP 2024 Plan are exercisable through the direct route.

Employee stock options details as on the balance sheet date are as follows:-

ESOP Plan 2016

Particulars	As at March 31, 2026	Weighted average exercsie price of share option as at March 31,2026	As at March 31, 2025	Weighted average exercsie price of share option as at March 31,2025
Outstanding at the beginning of the year	15,57,425	5.80	15,83,870	5.80
Options granted / Adjustments during the year	-	-	-	-
Options lapsed during the year	-	-	26,445	5.80
Expired during the year***	-	-	-	-
Exercised during the year	4,91,798	5.80	-	-
Outstanding at the end of the year	10,65,627	5.80	15,57,425	5.80
Vested options outstanding at the end of the year (Exercisable)	10,65,627	5.80	15,24,145	5.80

Weighted average remaining contractual life of options outstanding as at March 31, 2026 is 4.88 years.
***Vested options that are exercisable but have not been exercised within the exercise period

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

ESOP Plan 2020

Particulars	As at March 31, 2026	Weighted average exercsie price of share option as at March 31,2026	As at March 31, 2025	Weighted average exercsie price of share option as at March 31,2025
Outstanding at the beginning of the year	44,04,421	123.17	48,15,795	123.17
Options granted / Adjustments	-	-	-	-
Options lapsed	2,60,989	123.17	4,11,374	123.17
Expired	-	-	-	-
Exercise	26,133	123.17	-	-
Outstanding at the end of the year	41,17,299	123.17	44,04,421	123.17
Vested options outstanding at the end of the year (Exercisable)	36,27,802	123.17	20,38,334	123.17

Weighted average remaining contractual life of options outstanding as at March 31, 2026 is 4.97 years.

***Vested options that are exercisable but have not been exercised within the exercise period

ESOP Plan 2024

Particulars	As at March 31, 2026	Weighted average exercsie price of share option as at March 31,2026	As at March 31, 2025	Weighted average exercsie price of share option as at March 31,2025
Outstanding at the beginning of the year	14,92,460	140.00	-	-
Options granted / Adjustments	14,54,462	175.72	15,07,460	140.00
Options lapsed	4,45,259	163.14	15,000	140.00
Expired	-	-	-	-
Exercise	2,087	140.00	-	-
Outstanding at the end of the year	24,99,576	156.66	14,92,460	140.00
Vested options outstanding at the end of the year (Exercisable)	6,80,967	140.00	-	-

Weighted average remaining contractual life of options outstanding as at March 31, 2026 is 6.01 years.

***Vested options that are exercisable but have not been exercised within the exercise period

Weighted average fair value of stock options granted during the year is as follows:

Particulars	As at March 31, 2026		As at March 31, 2025
Grant date	21-Oct-25	02-Jul-25	July 02, 2024
Weighted average fair value (₹)	53.95	53.45	74.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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(All amounts are in ₹ crores unless otherwise stated)

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	ESOP Plan	Exercise Price	Risk free interest rate	Expected life	Expected volatility**	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (₹)#	Conversion Ratio
January 02, 2017	Scheme 2016 Plan	5.80	6.57%	4.25 Years	0.00%	0.00%	14.40	1:1
June 02, 2017	Scheme 2016 Plan	5.80	7%-7.21%	3.97 Years	0.01%	0.00%	14.40	1:1
January 02, 2018	Scheme 2016 Plan	5.80	7%-7.21%	3.85 Years	0.01%	0.00%	22.29	1:1
July 02, 2018	Scheme 2016 Plan	5.80	7.74%-7.96%	3.33 Years	0.01%	0.00%	51.25	1:1
July 02, 2019	Scheme 2016 Plan	5.80	6.26%-6.63%	3.25 Years	0.01%	0.00%	89.47	1:1
July 02, 2020	Scheme 2016 Plan	5.80	4.89%	4.5 Years	41.97%	0.00%	123.17	1:1
January 02, 2021	Scheme 2020 Plan	123.17	5.04%	4 Years	42.44%	0.00%	123.17	1:1
July 02, 2021	Scheme 2016 Plan	5.80	5.66%	4.17 Years	50.06%	0.00%	123.17	1:1
January 02, 2022	Scheme 2020 Plan	123.17	6.09%	3.25 Years	48.96%	0.00%	123.17	1:1
July 02, 2022	Scheme 2020 Plan	123.17	7.41%	3.44 Years	48.39%	0.00%	138.60	1:1
January 02, 2023	Scheme 2020 Plan	123.17	7.15%	3.12 Years	46.71%	0.00%	138.60	1:1
July 02, 2023	Scheme 2020 Plan	123.17	6.99%	2.87 Years	43.22%	0.00%	130.00	1:1
January 02, 2024	Scheme 2020 Plan	123.17	7.21%	2.75 Years	41.15%	0.00%	130.82	1:1
July 02, 2024	Scheme 2024 Plan	140.00	7.07%	2.64 years	41.27%	0.00%	175.21	1:1
July 02, 2025	Scheme 2024 Plan	175.72	6.29%	2.5 years	38.97%	0.00%	175.72	1:1
October 21, 2025	Scheme 2024 Plan	175.72	5.79%	2.65 Years	38.70%	0.00%	175.72	1:1

**The share of the company are not listed on any stock exchange at the time of grant accordingly, the expected median volatility for listed peer group has been considered.

FV of shares of the Company is the Fair Value of the shares of the Company as on the grant date.

Details of Expense Accounted for Year

	As at March 31, 2026	As at March 31, 2025
Expense recognised during the year	8.16	9.24

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

40 INCOME TAXES

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	Particulars	As at March 31, 2026	As at March 31, 2025
	Accounting profit before tax	247.30	225.01
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	44.68	66.55
	Tax for earlier years	1.25	3.98
	Total current tax (benefit) / expense	**45.93**	**70.53**
	Deferred tax		
	Credit recognised in statement of profit and loss	7.74	(16.79)
	Total deferred tax expense / (benefit)	**7.74**	**(16.79)**
	Income tax expense recognised in the statement of profit and loss	**53.67**	**53.74**
	Deferred tax relating to other comprehensive income	**0.14**	**0.25**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:-

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2026 and March 31, 2025 is, as follows:-

	As at March 31, 2026	As at March 31, 2025
Profit from continuing operations before income tax expense	247.30	225.01
Applicable tax rate	25.17%	25.17%
Computed tax (gain) / expense	62.24	56.63
Tax effect of :		
Effect of expenses that are non-deductible in determining taxable profit	0.88	0.58
Effect of tax incentives and concessions	(8.40)	(6.24)
Others	(2.30)	(1.21)
Tax for earlier years	1.25	3.98
Income tax expense recognised in the statement of profit and loss	53.67	53.74

(c) Deferred tax assets / liabilities

Components of deferred tax assets / (liabilities)	As at March 31, 2025	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2026
Measurement of financial assets at amortised cost	58.85	6.50			65.35
Measurement of financial liabilities at amortised cost	(6.46)	1.33			(5.13)
Difference in book balance of property, plant and equipment as per the Companies Act and the Income Tax Act	1.56	0.62			2.18
Provision for gratuity and compensated absences	4.78	2.31	0.14		7.23
Others	2.25	(18.50)			(16.25)
	60.98	**(7.74)**	**0.14**	**-**	**53.38**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Components of deferred tax assets / (liabilities)	As at March 31, 2024	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2025
Measurement of financial assets at amortised cost	43.51	15.34	-	-	58.85
Measurement of financial liabilities at amortised cost	(4.62)	(1.84)	-	-	(6.46)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.91	0.65	-	-	1.56
Provision for gratuity and compensated absences	3.33	1.20	0.25	-	4.78
Others	0.81	1.44		-	2.25
	43.94	**16.79**	**0.25**	**-**	**60.98**

41 The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at March 31, 2026 and as at March 31, 2025.

42 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company as at March 31, 2026 and March 31, 2025.

43 The Company does not have any year end unhedged foreign currency exposures as at March 31, 2026 and March 31, 2025 except ₹ 0.02 Crores of Trade payable.

44 STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no standards that have been issued by Ministry of Corporate Affairs that are not yet effective as at March 31, 2026.

45 DISCLOSURES RELATING TO SECURITISATION

45.1 The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

	As at March 31, 2026	As at March 31, 2025
(a) Total number of transactions entered during the year	7	12
(b) Total number of loan assets	92,540	115,168
(c) Total book value of loan assets	1,106.12	1,322.89
(d) Sale consideration received	1,025.63	1,221.26

45.2 Disclosure as required under RBI (NBFC – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025: Details of securitisation transactions:

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
(a)	No. of SPV's sponsored by NBFC for securitisation transactions	7.00	12
(b)	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	1,106.12	1,322.89
(c)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	Off-balance sheet exposures		
	(i) First loss	-	-

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(All amounts are in ₹ crores unless otherwise stated)

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
	(ii) Others	-	-
	On-balance sheet exposures		
	(i) First loss	130.83	141.18
	(ii) Others (MRR including securitisation investments)	191.05	115.98
(d)	Amount of exposures to securitization transactions other than MRR		
	Off-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitisation		
	(i) First loss	-	-
	(ii) Loss	-	-
	On-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitisation		
	(i) First loss	-	-
	(ii) Loss	-	-
(e)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	1,025.63	1,221.26
(f)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
(g)	Performance of facility provided:		
	Credit enhancement facility		
	Fixed deposit		
	(i) Amount paid	130.83	141.18
	(ii) Repayment received	-	-
	(iii) Outstanding amount	130.83	141.18
	Corporate guarantee		
	(i) Amount paid	-	-
	(ii) Repayment received	-	-
	(iii) Outstanding amount	-	-
(h)	Average default rate of portfolios observed in the past	2.08%	2.45%
	(i) Amount and number of additional/top up loan given on same underlying asset	-	-
(j)	Investor complaints		
	Directly / Indirectly received and;	Nil	Nil
	Complaints outstanding	Nil	Nil

46 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 RBI/DOR/2025-26/359 DOR.ACC.REC. NO.278/21.04.018/2025-26 DATED 28 NOVEMBER, 2025.

46.1 For the year March 31, 2026

(Rupees in Crores)

Sr. No.	Type of Restructuring	Under CDR Mechanism						Under SME Debt Restructuring Mechanism						Others						Total					
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total		Standard	Sub-Standard	Doubtful	Loss	Total		Standard	Sub-Standard	Doubtful	Loss	Total		Standard	Sub-Standard	Doubtful	Loss	Total	
	Details																								
a	Restructured accounts as on April 1 of the FY (opening figures)*	-	-	-	-	-		-	-	-	-	-		401	4.09	-	-	401		-	4.09	-	-	4.09	
	Amount Outstanding	-	-	-	-	-		-	-	-	-	-		401	4.09	-	-	401		-	4.09	-	-	4.09	
	Provision thereon	-	-	-	-	-		-	-	-	-	-		2.88	447	-	-	2.88		-	447	-	-	4.74	
b	Fresh restructuring during the year	-	-	-	-	-		-	-	-	-	-		3.24	-	-	-	3.24		-	-	-	-	-	
	Amount Outstanding	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
	Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
c	Upgradations to restructured standard category during the FY	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
	Amount Outstanding	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
	Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
d	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	-	-	-	-	-		-	-	-	-	-		(27)	(0.80)	-	-	(27)		(27)	(0.80)	-	-	(0.80)	
	Amount Outstanding	-	-	-	-	-		-	-	-	-	-		(27)	(0.80)	-	-	(27)		(27)	(0.80)	-	-	(0.80)	
	Provision thereon	-	-	-	-	-		-	-	-	-	-		(0.67)	-	-	-	(0.67)		(0.67)	-	-	-	(0.67)	
e	Down gradations of restructured accounts during the FY	-	-	-	-	-		-	-	-	-	-		-	-	4	-	4		-	-	4	-	-	
	Amount Outstanding	-	-	-	-	-		-	-	-	-	-		-	-	(4)	-	(4)		-	-	-	-	-	
	Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(Rupees in Crores)

Sr. No.	Type of Restructuring / Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																				
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(124)	-	-	(124)	-	(124)	-	-	(124)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(1.41)	-	-	(1.41)	-	(1.41)	-	-	(1.41)
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.85)	-	4	697	-	(0.85)	-	4	697
		Provision thereon	-	-	-	-	-	-	-	-	-	-	6.61	-	0.00	6.61	-	6.61	-	0.00	6.61
			-	-	-	-	-	-	-	-	-	-	4.59	-	0.00	4.59	-	4.59	-	0.00	4.59

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

46.2 For the year March 31, 2025

(Rupees in Crores)

Sr. No.	Type of Restructuring / Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																				
a	Restructured accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	262	-	-	262	-	262	-	-	262
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	2.43	-	-	2.43	-	2.43	-	-	2.43
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.69	-	-	1.69	-	1.69	-	-	1.69
b	Fresh restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	248	-	-	248	-	248	-	-	248
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	2.92	-	-	2.92	-	2.92	-	-	2.92
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.06	-	-	2.06	-	2.06	-	-	2.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(Rupees in Crores)

Sr. No.	Type of Restructuring / Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																				
c	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	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	-	-	-	-	-	-	-	-	-	-	(22)	-	-	(22)	-	(22)	-	-	(22)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.39)	-	-	(0.39)	-	(0.39)	-	-	(0.39)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.31)	-	-	(0.31)	-	(0.31)	-	-	(0.31)
e	Down gradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	(87)	-	-	(87)	-	(87)	-	-	(87)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.87)	-	-	(0.87)	-	(0.87)	-	-	(0.87)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.56)	-	-	(0.56)	-	(0.56)	-	-	(0.56)
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	401	-	-	401	-	401	-	-	401
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	4.09	-	-	4.09	-	4.09	-	-	4.09
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.88	-	-	2.88	-	2.88	-	-	2.88

* Excluding the figures of standard restructured advances which do not attract higher provisioning or risk weight (if applicable).

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(All amounts are in ₹ crores unless otherwise stated)

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	620.38	-	620.38	931.16	-	931.16
Bank balance other than cash and cash equivalents	344.67	46.02	390.69	176.90	29.83	206.73
Derivative financial instruments	77.97	-	77.97	0.24	-	0.24
Loans	2,758.00	3,508.44	6,266.44	2,431.36	2,518.85	4,950.21
Investments	60.40	97.74	158.14	2.82	38.94	41.76
Other financial assets	57.87	49.46	107.33	37.75	22.87	60.61
Non-financial assets						
Current tax assets (Net)	19.45	-	19.45	17.89	-	17.89
Deferred tax assets (Net)	-	53.38	53.38	-	60.98	60.98
Property, plant and equipment	-	12.25	12.25	-	12.10	12.10
Right of use assets	-	44.83	44.83	-	26.27	26.27
Intangible assets under development	-	-	-	-	4.13	4.13
Other intangible assets	-	4.65	4.65	-	2.25	2.25
Other non-financial assets	17.42	0.01	17.43	23.71	0.07	23.78
Total assets	**3,956.16**	**3,816.78**	**7,772.94**	**3,621.83**	**2,716.29**	**6,338.11**
Financial liabilities						
Debt securities	304.37	766.13	1,070.50	634.93	783.20	1,418.13
Borrowings (other than debt securities)	2,125.20	1,821.93	3,947.13	1,574.34	1,533.86	3,108.20
Lease liability	11.94	35.53	47.47	9.52	18.89	28.41
Other financial liabilities	81.75	-	81.75	48.13	-	48.13
Non-Financial Liabilities						
Current tax liabilities (Net)	4.58	-	4.58	4.58	-	4.58
Provisions	31.54	22.79	54.33	28.14	15.19	43.33
Other non-financial liabilities	34.47	-	34.47	28.98	-	28.98
Total liabilities	**2,593.85**	**2,646.38**	**5,240.23**	**2,328.62**	**2,351.14**	**4,679.76**
Net Amount			**2,532.71**			**1,658.35**

48 CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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(All amounts are in ₹ crores unless otherwise stated)

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital

Particulars	Carrying amount	
	As at March 31, 2026	As at March 31, 2025
Tier I capital	2,198.03	1,429.52
Tier II capital	-	-
Total capital	2,198.03	1,429.52
Risk weighted assets	5,203.78	4,094.08
CRAR (%) *	**42.24%**	**34.92%**
Tier I capital (%)	**42.24%**	**34.92%**
Tier II capital (%)	**-**	**-**

* The above ratio has been computed in accordance with the relevant guidelines issued by the RBI.

Tier 1 capital consists of shareholders' equity and retained earnings. Tier II capital consists of general provision and loss reserve against standard assets . Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

49 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities comprise borrowings from banks and debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, price risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

49.1 Credit risk management framework

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans and advances primarily based on days past due monitoring at year end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products / states / customer base with a cap on maximum limit of exposure for an individual / Group.

49.1.1 Credit quality of financial loan

Particulars	Mortgage loans		Quasi Mortgage loans		Hypothecated and Switch pe loans	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Gross carrying value of loans						
Stage 1	1,125.13	636.97	97.71	96.25	4,932.28	4,113.40
Stage 2	9.88	4.69	1.55	2.69	57.02	86.29
Stage 3	38.02	13.82	10.26	11.59	263.56	191.63
Gross carrying value as at reporting date	**1,173.03**	**655.48**	**109.52**	**110.53**	**5,252.86**	**4,391.32**

The Company reviews the credit quality of its loans based on the ageing of the loan at the year end and hence the Company has calculated its ECL allowances on a collective basis.

49.1.2 Inputs considered in calculation of ECL

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0 to 30 days past due

Stage 2 : 31 to 90 days past due

Stage 3 : More than 90 days past due

49.1.3 Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

49.1.4 Exposure at default

Exposure at default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

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for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

49.1.5 Estimations and assumptions used in the ECL model

(a) Loss given default (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are considered at portfolio basis for arriving loss rate.

(b) Probability of default (PD) is applied on Stage 1, Stage 2 and Stage 3 portfolio . This is calculated as an average of periodic movement of default rates.

49.1.6 Measurement of ECL

ECL is measured as follows:

(a) Financial assets that are not credit impaired at the reporting date: for Stage 1 & 2, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL.

(b) Financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD ;

49.1.7 Significant increase in credit risk

The Company considers its exposure in credit risk to have increased significantly, when the borrower crosses 30 DPD.

49.1.8 Impairment loss

(a) The expected credit loss allowance for Mortgage loan is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
Gross carrying value as at March 31, 2026	**1,125.13**	**9.88**	**38.02**	**1,173.03**
ECL rate	0.25%	28.29%	36.04%	
ECL amount	2.82	2.79	13.70	19.32
Carrying amount (net of provision)	**1,122.31**	**7.09**	**24.33**	**1,153.72**
Gross carrying value as at March 31, 2025	**636.97**	**4.69**	**13.82**	**655.48**
ECL rate	0.24%	29.21%	43.85%	
ECL amount	1.52	1.37	6.06	8.95
Carrying amount (net of provision)	**635.45**	**3.32**	**7.76**	**646.53**

(b) The expected credit loss allowance for Quasi Mortgage loan is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
Gross carrying value as at March 31, 2026	**97.71**	**1.55**	**10.26**	**109.52**
ECL rate	0.76%	36.01%	45.91%	
ECL amount	0.75	0.56	4.71	6.01
Carrying amount (net of provision)	**96.96**	**0.99**	**5.55**	**103.51**
Gross carrying value as at March 31, 2025	**96.25**	**2.69**	**11.59**	**110.53**
ECL rate	0.55%	26.39%	32.79%	
ECL amount	0.53	0.71	3.80	5.04
Carrying amount (net of provision)	**95.72**	**1.98**	**7.79**	**105.49**

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for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(c) The expected credit loss allowance for Hypothecated and Switch pe loan is determined as follows:

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per - forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2026	**4,932.28**	**57.02**	**263.56**	**5,252.86**
ECL rate	0.73%	56.13%	68.33%	
ECL amount	35.87	32.01	180.09	247.97
Carrying amount (net of provision)	**4,896.41**	**25.01**	**83.47**	**5,004.89**
Gross carrying value as at March 31, 2025	**4,113.40**	**86.29**	**191.63**	**4,391.32**
ECL rate	0.58%	43.31%	71.38%	
ECL amount	24.01	37.37	136.78	198.16
Carrying amount (net of provision)	**4,089.39**	**48.92**	**54.85**	**4,193.16**

49.1.9 Level of assessment - aggregation criteria

The company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information. Considering the economic and risk characteristics the company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets

49.1.10 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Mortgage Loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2024	332.31	0.48	1.70	334.49
Transfer to stage 1	0.04	-	(0.04)	-
Transfer to stage 2	(4.26)	4.26	-	-
Transfer to stage 3	(12.14)	(0.45)	12.59	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	321.17	0.40	(0.31)	321.26
Write offs during the year	(0.15)	-	(0.12)	(0.27)
Gross carrying value as at March 31, 2025	**636.97**	**4.69**	**13.82**	**655.48**
Changes due to loans recognised in the opening balances that have :				
Transfer to stage 1	0.18	(0.12)	(0.06)	-
Transfer to stage 2	(7.74)	7.74	-	-
Transfer to stage 3	(24.63)	(4.11)	28.74	-
Loans derecognised during the year				
Loans originated / derecognised during the year	520.76	1.76	(2.70)	519.82
Write offs during the year	(0.41)	(0.08)	(1.78)	(2.27)
Gross carrying value as at March 31, 2026	**1,125.13**	**9.88**	**38.02**	**1,173.03**

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for the year ended March 31, 2026

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(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2024	1.27	0.16	0.91	2.34
Transfer to Stage 1	0.02	-	(0.02)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.05)	(0.15)	0.20	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	0.31	1.34	5.04	6.69
Write offs during the year	(0.01)	-	(0.07)	(0.08)
ECL allowances balances as at March 31, 2025	**1.52**	**1.37**	**6.06**	**8.95**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.06	(0.04)	(0.02)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.06)	(1.20)	1.26	-
Loans derecognised during the year				
Loans originated / derecognised during the year	1.33	2.71	7.32	11.37
Write offs during the year	(0.01)	(0.07)	(0.92)	(1.00)
ECL allowances balances as at March 31, 2026	**2.82**	**2.79**	**13.70**	**19.32**

49.1.11 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Quasi Mortgage Loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2024	110.41	1.78	7.07	119.26
Transfer to Stage 1	0.11	(0.02)	(0.09)	-
Transfer to Stage 2	(2.55)	2.55	-	-
Transfer to Stage 3	(9.87)	(0.62)	10.49	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(1.48)	(0.33)	(2.05)	(3.86)
Write offs during the year	(0.37)	(0.67)	(3.83)	(4.87)
Gross carrying value as at March 31, 2025	**96.25**	**2.69**	**11.59**	**110.53**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.07	(0.02)	(0.05)	-
Transfer to Stage 2	(1.43)	1.43	-	(0.00)
Transfer to Stage 3	(8.24)	(0.60)	8.84	-
Loans derecognised during the year				
Loans originated / derecognised during the year	11.44	(0.30)	(1.68)	9.46
Write offs during the year	(0.38)	(1.65)	(8.44)	(10.47)
Gross carrying value as at March 31, 2026	**97.71**	**1.55**	**10.26**	**109.52**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2024	0.69	0.42	2.33	3.44
Transfer to Stage 1	0.03	-	(0.03)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.06)	(0.10)	0.16	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(0.11)	0.58	3.15	3.62
Write offs during the year	-	(0.21)	(1.81)	(2.02)
ECL allowances balances as at March 31, 2025	**0.53**	**0.71**	**3.80**	**5.04**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.02	(0.00)	(0.01)	-
Transfer to Stage 2	(0.01)	0.01	-	-
Transfer to Stage 3	(0.04)	(0.15)	0.20	-
Loans derecognised during the year				
Loans originated / derecognised during the year	0.26	0.48	4.16	4.89
Write offs during the year	(0.00)	(0.49)	(3.43)	(3.93)
ECL allowances balances as at March 31, 2026	**0.75**	**0.56**	**4.71**	**6.01**

49.1.12 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Hypothecated and Switch pe loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2024	3,512.30	40.75	122.86	3,675.91
Transfer to Stage 1	1.45	(0.85)	(0.60)	0.00
Transfer to Stage 2	(79.04)	79.04	-	-
Transfer to Stage 3	(192.24)	(8.80)	201.04	-
Loans derecognised during the year				
Loans originated / derecognised during the year	959.75	1.98	(28.04)	933.69
Write offs during the year	(88.82)	(25.83)	(103.63)	(218.28)
Gross carrying value as at March 31, 2025	**4,113.40**	**86.29**	**191.63**	**4,391.32**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	1.65	(0.93)	(0.72)	-
Transfer to Stage 2	(57.75)	57.76	(0.01)	(0.00)
Transfer to Stage 3	(237.94)	(25.10)	263.03	-
Loans derecognised during the year				
Loans originated / derecognised during the year	1,197.44	(9.41)	(47.52)	1,140.51
Write offs during the year	(84.53)	(51.60)	(142.85)	(278.98)
Gross carrying value as at March 31, 2026	**4,932.28**	**57.02**	**263.56**	**5,252.86**

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(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2024	16.18	16.60	91.72	124.50
Transfer to Stage 1	0.64	(0.35)	(0.29)	-
Transfer to Stage 2	(0.36)	0.36	-	-
Transfer to Stage 3	(0.88)	(3.18)	4.06	-
Loans derecognised during the year				
Loans originated / derecognised during the year	8.88	36.03	107.77	152.68
Write offs during the year	(0.45)	(12.09)	(66.48)	(79.02)
ECL allowances balances as at March 31, 2025	**24.01**	**37.37**	**136.78**	**198.16**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.78	(0.41)	(0.37)	(0.00)
Transfer to Stage 2	(0.34)	0.34	-	-
Transfer to Stage 3	(1.37)	(10.38)	11.75	-
Loans derecognised during the year				
Loans originated / derecognised during the year	13.39	29.99	120.77	164.15
Write offs during the year	(0.60)	(24.90)	(88.84)	(114.33)
ECL allowances balances as at March 31, 2026	**35.87**	**32.01**	**180.09**	**247.97**

Cash and cash equivalent and bank deposits

The Company maintains its bank balances in reputed banks and financial institutions. The credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

49.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) 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.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy which is monitored by the Asset Liability Committee. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

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Maturities of financial liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Lease liabilities	11.94	35.53	47.47	9.52	18.89	28.41
Debt securities	304.37	766.13	1,070.50	634.93	783.20	1,418.13
Borrowings (other than debt securities)	2,125.20	1,821.93	3,947.13	1,574.34	1,533.86	3,108.20
Other financial liabilities	81.75	-	81.75	48.13	-	48.13
Derivative Financial Instrument	-	-	-	-	-	-
	2,523.26	**2,623.59**	**5,146.85**	**2,266.92**	**2,335.95**	**4,602.87**

49.3 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, such as equity price risk and commodity price risk. Financial instruments affected by market risk include foreign currency receivables.

49.3.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

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

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	Currency	As at March 31, 2026	As at March 31, 2025
Financial liabilities, ₹ Crores	USD	542.39	185.43
Financial liabilities, ₹ Crores	EURO	163.51	138.49

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49.3.2 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the company does not have any borrowings/loans on fluctuating interest rates except following:-

(a) Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Debt securities		
Variable rate	-	10.00
Fixed rate	1,070.50	1,408.13
Borrowings (other than debt)		
Variable rate	1,830.30	1,584.17
Fixed rate	2,116.83	1,524.03
Sensitivity analysis		
Increase by 80 basis points	14.64	12.75
Decrease by 80 basis points	(14.64)	(12.75)

(b) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Loans extended by the Company are all fixed rate loans

(c) Price risk exposure

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.

Particulars	As at March 31, 2026	As at March 31, 2025
Investments	158.14	41.76
Sensitivity analysis		
increase by 4%	-	-
decrease by 4%	-	-

50 LEASES

50.1.1 Carrying value of lease liabilities:

Particulars	Total	Leases
Balance at April 01, 2024	**23.63**	**23.63**
Additions	19.20	19.20
Finance cost	4.57	4.57
Termination / Adjustment	(4.14)	(4.14)
Lease payments	(14.85)	(14.85)
Balance at March 31, 2025	**28.41**	**28.41**
Additions	32.28	32.28
Finance cost	6.97	6.97
Termination / Adjustment	(1.68)	(1.68)
Lease payments	(18.51)	(18.51)
Balance at March 31, 2026	**47.47**	**47.47**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

50.1.2 Maturity analysis of lease liabilities

Contractual undiscounted cash flows	As at March 31, 2026	As at March 31, 2025
Less than one year	17.39	12.59
One to five years	38.31	20.73
More than five years	8.14	2.82
Undiscounted lease liabilities	**63.84**	**36.14**

50.1.3 Amounts recognised in profit or loss

Particulars	As at March 31, 2026	As at March 31, 2025
Interest on lease liabilities	6.97	4.57
Depreciation on ROU assets	13.47	11.20
	20.44	**15.77**

50.1.4 Cash outflow of leases

Particulars	As at March 31, 2026	As at March 31, 2025
Cash outflow of leases		
Lease payments	18.51	14.85
	18.51	**14.85**

50.1.5 Break up value of the current and non-current lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	11.94	9.52
Non-current lease liabilities	35.53	18.89
	47.47	**28.41**

51 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly / indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy of asset and liabilities measured at fair value

Particulars	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial asset				
Derivative financial instruments	-	77.97	-	77.97
Investments				
Security receipts	-	59.80	-	59.80
	-	**137.77**	**-**	**137.77**
Financial liabilities				
Derivative financial instruments	-	-	-	-
	-	**-**	**-**	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Particulars	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial Asset				
Derivative financial instruments	-	0.24	-	0.24
Investments				
Security receipts	-	36.97	-	36.97
	-	**37.21**	**-**	**37.21**
Financial Liabilities				
Derivative financial instruments	-	-	-	-
	-	**-**	**-**	**-**

Fair Value hierarchy of Asset and Liabilities not measured at fair value

The management assessed that carrying value of financial asset and financial liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Valuation methodologies of financial instruments not measured at fair value

Loans

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings

Debt securities and borrowings are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level. The Company's borrowings which are at floating rate approximates the fair value.

Short term and other financial assets and liabilities

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52 RBI DISCLOSURE (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 RBI/DOR/2025-26/359 DOR.ACC. REC.NO.278/21.04.018/2025-26 DATED 28 NOVEMBER, 2025.

52.1 For the year 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	6,155.12	39.44	6,115.68	24.90	14.54
Standard	Stage 2	68.45	35.36	33.09	0.28	35.08
Subtotal		**6,223.57**	**74.80**	**6,148.77**	**25.18**	**49.62**
Non-performing assets (NPA)						
Sub - standard	Stage 3	268.58	167.57	101.01	26.94	140.63
Subtotal Sub -Standard		**268.58**	**167.57**	**101.01**	**26.94**	**140.63**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

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
Doubtful - up to 1 year	Stage 3	32.97	25.22	7.75	26.02	(0.80)
1 to 3 years	Stage 3	10.25	5.67	4.58	10.19	(4.52)
More than 3 years	Stage 3	0.04	0.04	-	0.04	-
Subtotal Doubtful		**43.26**	**30.93**	**12.33**	**36.25**	**(5.32)**
Loss assets		-	-	-	-	-
Subtotal NPA	**Stage 3**	**311.84**	**198.50**	**113.34**	**63.19**	**135.31**
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	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
All assets	Stage 1	6,155.12	39.44	6,115.68	24.90	14.54
	Stage 2	68.45	35.36	33.09	0.28	35.08
	Stage 3	311.84	198.50	113.34	63.19	135.31
Total		**6,535.41**	**273.30**	**6,262.11**	**88.37**	**184.93**

Note 1: In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards, Non Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in aggregate impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2026 and accordingly, no amount is required to be transferred to impairment reserve.

52.1 For the year 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	4,846.62	26.06	4,820.56	19.68	6.38
Standard	Stage 2	93.67	39.45	54.22	0.38	39.07
Subtotal		**4,940.29**	**65.51**	**4,874.78**	**20.06**	**45.45**
Non-performing assets (NPA)						
Sub - standard	Stage 3	204.77	135.16	69.61	20.59	114.57
Subtotal Sub -Standard		**204.77**	**135.16**	**69.61**	**20.59**	**114.57**
Doubtful - up to 1 year	Stage 3	7.18	6.40	0.78	6.40	-
1 to 3 years	Stage 3	5.09	5.08	0.01	5.08	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal Doubtful		**12.27**	**11.48**	**0.79**	**11.48**	**-**
Loss assets		-	-	-	-	-
Subtotal NPA	**Stage 3**	**217.04**	**146.64**	**70.40**	**32.07**	**114.57**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

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
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	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
All assets	Stage 1	4,846.62	26.06	4,820.56	19.68	6.38
	Stage 2	93.67	39.45	54.22	0.38	39.07
	Stage 3	217.04	146.64	70.40	32.07	114.57
Total		**5,157.33**	**212.15**	**4,945.18**	**52.13**	**160.02**

Note 1: In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards, Non Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in aggregate impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.

53 RBI DISCLOSURE (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED 28 NOVEMBER, 2025.

53.1 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

As at March 31, 2026

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-		-
Advances*	335.88	-	0.89	219.67	223.63	682.19	1,293.24	2,735.89	490.85	279.87	6,262.11
Investments^	19.50	2.67	191.81	46.64	71.85	22.61	125.72	46.02	-	-	526.82
Borrowing**	27.99	8.62	113.28	198.93	197.87	555.51	1,088.03	1,961.43	149.66	-	4,301.32
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	8.35	8.33	222.66	444.38	32.59	-	716.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

As at March 31, 2025

	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-		-
Advances*	284.03	-	-	191.57	194.34	596.19	1,163.10	2,081.44	316.34	118.17	4,945.18
Investments^	231.78	141.14	155.91	17.68	10.26	34.68	100.49	29.83	-	-	721.77
Borrowing**	51.16	19.54	103.28	168.92	196.32	560.68	1,075.68	1,785.19	236.45	-	4,197.22
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	6.07	-	-	-	-	-	27.62	266.34	29.08	-	329.11

Notes

* EIR on advances has been considered as per repayment schedule.
* Net of provision for standard and non performing asset.
* Advances not included staff loan.
* The advances are gross of impairment loss allowance.

** EIR on borrowing has been considered in the last bucket of the respective borrowing.

^ Investments include the amount of deposits with banks and exclude Investment in Security receipts, Investment in T-bill and Investment in Pass through certificates.

(a) Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.

(b) Above ALM does not consider cash balance existing as on balance sheet date.

53.2 Summary of material accounting policies

Refer to note 2 of Financial Statements for summary of material accounting policies.

53.3 Capital

Particulars	As at March 31, 2026	As at March 31, 2025
(a) CRAR (%)	42.24%	34.92%
(b) CRAR - Tier I Capital (%)	42.24%	34.92%
(c) CRAR - Tier II Capital (%)	-	-
(d) Amount of subordinated debt raised as Tier-II capital	-	-
(e) Amount raised by issue of perpetual debt instruments	-	-

53.4 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Value of investments		
Gross value of investments		
In India	218.19	76.16
Outside India	-	-
Provisions for depreciation		
In India	60.05	34.40
Outside India	-	-
Net value of investments		
In India	158.14	41.76
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	34.40	5.35
Add : Provisions made during the year	25.65	29.05
Less Write-off / write-back of excess provisions during the year	-	-
Closing balance	60.05	34.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.5 Derivatives

53.5.1 Forward rate agreement / interest rate swap

	As at March 31, 2026	As at March 31, 2025
The notional principal of swap agreements	705.90	323.91
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	-	-
The fair value of the swap book	77.97	0.24

* Counter- party for all swaps entered into by the Company are Scheduled Commercial Banks.

53.5.2 Exchange traded interest rate (IR) derivatives

Particulars	Amount
Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2025 (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil

53.5.3 Disclosures on risk exposure in derivatives

Qualitative disclosures

The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative disclosures

Particulars	As at March 31, 2026		As at March 31, 2025	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
Derivative (notional principal amount) – for hedging	705.90	-	323.91	-
Marked to market positions	77.97	-	0.24	-
Credit exposure	705.90	-	323.91	-
Unhedged exposures	-	-	-	-

* Cross currency interest rate swap

53.6 Disclosures relating to Securitisation (Refer Note No. 45 of the financial statements.)

53.7 Exposures

53.7.1 Exposure to real estate sector

Category	As at March 31, 2026	As at March 31, 2025
(a) Direct exposure		
Residential mortgages	1,127.32	720.95
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based limits.	1,127.32	720.95
Commercial real estate	155.23	45.07
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	155.23	45.07
Investments in Mortgage Backed Securities (MBS) and other securitised exposures	NIL	NIL
Residential	NIL	NIL
Commercial real estates	NIL	NIL
(b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
	1282.55	**766.02**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.7.2 Exposure to capital market

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	NIL	NIL
(i) Financing to stockbrokers for margin trading	NIL	NIL
(j) All exposures to Alternative Investment Funds:		
(i) Category I	NIL	NIL
(ii) Category II	NIL	NIL
(iii) Category III	NIL	NIL
	-	-

Note : The above 53.7.1 & 53.7.2, information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

Note 2: There is an investment in subsidiary at cost (unquoted) i.e. 2,50,000 equity shares of ₹ 10 in Foundation for Advancement of Micro Enterprises (FAME) total ₹ 0.25 crores. Please refer note 6 - "Investments".

53.8 Details of financing of parent company products

The Company doesn't have parent Company, hence this clause is not applicable.

53.9 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the March 31, 2026 and March 31, 2025.

53.10 Unsecured advances

The Company has given ₹ 2637.24 crores (previous year: ₹ 2,202.90.crores) of unsecured loans.

53.11 Miscellaneous

53.11.1 Registration obtained from other financial sector regulators

The Company does not hold any other registration other than NBFC registration from RBI and Corporate Agent from IRDAI.

Registration/ License	Issuing Authority	Registration / License number
Certificate of Registration	Reserve Bank Of India (RBI)	B-14.03323
Certificate of Registration-Corporate Agent	Insurance Regulatory and Development Authority of India (IRDAI)	CA0957 (Valid till 26-Jun-2027)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.11.2 Disclosure of penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2026 and March 31, 2025 except fine paid by the Company to BSE Limited during the year ended March 31, 2026 due to delay submission of Financial Results for the quarter and nine months ended December 31, 2025 of ₹ 0.01 Crores.

53.11.3 Related party transactions

Refer note 36 of Financial Statements for related party transaction disclosure.

The company have not entered into any transactions related to borrowings, deposits, placement of deposits, advance, purchase/sale of fixed/other assets and Investments during the year with directors, KMP and their relatives except (i) advance given to subsidiary (FAME) of ₹ 3.47 crores , maximum outstanding during the year of ₹ 3.47 crores and outstanding as on March 31, 2026 of Nil. (ii) Loan given to KMP (Mr. Sovan Satyaprakash) of ₹ 0.19 crores , maximum outstanding during the year of ₹ 0.19 crores and outstanding as on March 31, 2026 of ₹ 0.18 crores (iii) (ii) Loan given to KMP (Mr. Krishan Gopal) of Nil , maximum outstanding during the year of ₹ 0.33 crores and outstanding as on March 31, 2026 of Nil.

53.11.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Rating purpose	FY 2025-26		FY 2024-25	
	Rating Assigned	Rating Outlook	Rating Assigned	Rating Outlook
Domestic Ratings				
Aye Finance Limited (Formerly known as Aye Finance Private Limited) by India Ratings & Research				
NCD ₹ 1924.98 crores (previous year 1908.45 crores)*	[IND] A	Stable	[IND] A	Stable
Bank loans 1300 crores (previous year ₹ 1000 crores)*	[IND] A	Stable	[IND] A	Stable
Commercial paper ₹ 50 crores (previous year ₹ 50 crores)*	[IND] A1	-	[IND] A1	-
Principal protected market-linked debenture (PP-MLD) ₹ 5 crores (previous year 5 crores)*	N.A	N.A	IND PP-MLD A	Stable
Aye Finance Limited (Formerly known as Aye Finance Private Limited) by ICRA				
Long term bank facility ₹ 650 crores (previous year 550 crores)**	[ICRA] A	Stable	[ICRA] A	Stable
NCD ₹ 400.0 crores by ICRA (previous year Nil)**	[ICRA] A	Stable	NA	NA
International Ratings				
Aye Finance Limited (Formerly known as Aye Finance Private Limited) by Care Edge* **				
External Commercial Borrowing USD 3 Crores (previous year Nil)	[CareEdge] B+	Positive	N.A.	N.A.
External Commercial Borrowing USD 1 Crores (previous year Nil) (proposed)	[CareEdge] B+	Positive	N.A.	N.A.

*Pursuant to the rating letter dated July 08, 2025 issued by India Ratings and Research Limited, the agency affirmed the existing ratings of Aye Finance Limited and assigned ratings to additional NCDs aggregating to ₹ 455.00 crore and bank loans aggregating to ₹ 300.00 crore at 'IND A'/Stable. Further, the ratings assigned to PP-MLDs of ₹ 5.00 crore were withdrawn and the outstanding non-convertible debentures were reduced to ₹ 1,469.98 crore from ₹ 1,908.45 crore.

** ICRA rating letter dated November 12th 2025.

***CareEdge rating letter dated May 30th 2025

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.12 Additional disclosures

53.12.1 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	As at March 31, 2026	As at March 31, 2025
Provisions for depreciation on investment	25.65	29.05
Provision towards NPA	51.86	51.68
Provision made towards income tax net of deferred tax	53.67	53.74
Other provision and contingencies (Gratuity and Leave encashment)	12.39	10.89
Other provision and contingencies (Impairment Provision on Staff Loans)	0.09	0.53
Provision for Standard assets	9.29	30.20

53.12.2 Draw down from reserves

The Company has not made any drawdown from the reserve during the year ended March 31, 2026 and March 31, 2025.

53.13 Concentration of deposits, advances, exposures and NPAs

The Company has not taken any deposits from any party during the year ended March 31, 2026 and March 31, 2025.

53.13.1 Concentration of advances

Particulars	As at March 31, 2026	As at March 31, 2025
Total advances to twenty largest borrowers	7.16	3.33
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.11%	0.06%

53.13.2 Concentration of exposures

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to twenty largest borrowers / customers	7.16	3.33
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	0.11%	0.06%

53.13.3 Concentration of NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to top four NPA accounts	0.48	0.36

53.13.4 Sector-wise NPAs

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31, 2026	As at March 31, 2025
(a) Agriculture and allied activities	-	-
(b) MSME	4.77%	4.21%
(c) Corporate borrowers	-	-
(d) Services	-	-
(e) Unsecured personal loans	-	-
(f) Auto loans	-	-
(g) Other personal loans	0.00	-

53.13.5 Movement of NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Net NPAs to Net Advances (%)	1.79%	1.40%
(b) Movement of NPAs (Gross)		
(i) Opening balance	217.04	131.63
(ii) Additions during the year	258.66	200.57
(iii) Reductions during the year	(163.86)	(115.16)
(iv) Closing balance	311.84	217.04
(c) Movement of Net NPAs		
(i) Opening balance	70.40	36.67
(ii) Additions during the year	82.97	77.97
(iii) Reductions during the year	(40.03)	(44.24)
(iv) Closing balance	113.34	70.40
(d) Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balance	146.64	94.96
(ii) Additions during the year	175.69	122.60
(iii) Reductions during the year	(123.83)	(70.92)
(iv) Closing balance	198.50	146.64

53.14 Overseas assets

The Company does not own any assets outside the country as at March 31, 2026 and March 31, 2025.

53.15 Off – balance sheet SPVs sponsored

The Company does not have any off balance sheet SPV sponsored either domestic or overseas as at March 31, 2026 and March 31, 2025.

53.16 Disclosure of customer complaints

53.16.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S. No.	Particulars	As at March 31, 2026	As at March 31, 2025
	Complaints received by the NBFC from its customer		
(a)	No. of complaints pending at the beginning of the year	49	12
(b)	No. of complaints received during the year	2,405	1,612
(c)	No. of complaints redressed during the year	2,423	1,575
	Of which, number if complaints rejected by the NBFC*	-	-
(d)	No. of complaints pending at the end of the year	31	49
	Maintainable complaints received by the NBFC from office of Ombudsman		
(e)	Maintainable complaints received by the NBFC from office of Ombudsman	31	40
	Of (e) , No of complaints resolved in favour of the NBFC from office of Ombudsman	31	39
	Of (e) ,No of complaints resolved through Conciliation/ Mediation/advisories issued by office of Ombudsman	-	1
	Of (e) ,No of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
(e)(i)	No. of awards unimplemented with in the Stipulated time (other than those appealed)	-	-

* Represents number of complaints submitted by internal ombudsman to RBI vide circular no. RBI/2021-2022/126 dated November 15, 2021

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (previously the Ombudsman Scheme for Non Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in ₹ crores unless otherwise stated)

53.16.2 Top five grounds of complaints received by the NBFCs from customers

March 31, 2026

SL No.	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	%Increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(a)	Credit Bureau Rectification	8	554	17.12%	-	-
(b)	Customer Interaction Issue	21	853	57.38%	16	-
(c)	Customer Dispute or Money Misappropriate	4	269	66.05%	6	-
(d)	Settlement Related/ Insurance Claim/ Foreclosure related/ Charges	5	400	257.14%	4	-
(e)	Contact Number Update/ Removal (non-Existing)	6	33	-59.76%	-	-
(f)	Others	5	296	22.82%	5	-
		49	**2,405**	**49.19%**	**31**	**-**

March 31, 2025

SL No.	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	%Increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(a)	Credit Bureau Rectification	6	473	45%	8	-
(b)	Customer Interaction Issue	3	542	131%	21	-
(c)	Customer Dispute or Money Misappropriation	1	162	206%	4	-
(d)	Settlement Related	-	112	87%	5	-
(e)	Contact Number Update/ Removal (non-Existing)	1	82	156%	6	-
(f)	Others	1	241	54%	5	-
		12	**1,612**	**87%**	**49**	**-**

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

53.17 Expenditure on corporate social responsibility

Refer note 31 of Financial Statements for disclosure pertaining to corporate social responsibility expenses.

53.18 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to ₹ 0.28 crores (March 31, 2025 ₹ 0.30 crores).

53.19 Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

Particulars	As at March 31, 2026	As at March 31, 2025
No. of accounts restructured	4	111
Amount (₹ in crores)*	0.04	0.48

* Balances are as at March 31, 2026 and March 31, 2025

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.20 The Company owns 100% of Foundation for Advancement of Micro Enterprises (FAME), incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.

53.21 Transactions with non-executive directors

Name of non-executive director	Transaction type	As at March 31, 2026	As at March 31, 2025
Ms. Kanika Tandon Bhal	Payment of sitting fees	0.12	0.11
Mr. Vinay Baijal	Payment of sitting fees	0.19	0.08
Mr. Sanjaya Gupta	Payment of sitting fees	0.19	0.14
Mr. Govinda Rajulu Chinta	Payment of sitting fees	0.19	0.17
Ms. Padmaja Nair	Payment of sitting fees	0.10	0.05
		0.79	**0.55**

53.22 Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition as at March 31, 2026 and March 31, 2025.

53.23 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.

On the basis of information and record available with the management, there are no outstanding balances of such suppliers and interest due on such accounts as on March 31, 2026.

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

53.24 Details of non-performing financial assets purchased/sold

The Company has sold non performing financial asset during FY 2025-26 and 2024-25 . Refer Note no. 53.26.1 (c).

53.25 Value of imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2025 – Nil).

53.26 Disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28 November, 2025.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.26.1 Details of non-performing assets (NPAs) transferred are given below:

Disclosure pursuant to RBI notification - 2025 RBI/DOR/2025-26/359 DOR.ACC.REC. No.278/21.04.018/2025-26 dated 28 November, 2025.

(a) Details of transfer through assignment in respect of loans not in default during the year ended.

	As at March 31, 2026	As at March 31, 2025
Aggregate amount of loans transferred	282.13	208.67
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (residual maturity)	62.35 months	46.02 months
Weighted average holding period	11.33 months	13.27 months
Coverage of tangible security	-	-
Rating-wise distribution of rated loans	Unrated	Unrated

(b) Details of acquired through assignment in respect of loans not in default during the year ended.

	As at March 31, 2026	As at March 31, 2025
Amount of loan accounts acquired	67.68	-
Retention of beneficial economic interest (MRR)	10%	-
Weighted average maturity (residual maturity)	91.32 months	-
Weighted average holding period	16.49 months	-
Coverage of tangible security	-	-
Rating-wise distribution of rated loans	Unrated	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans.	Nil	Nil
Number of transferred loans replaced.	Nil	Nil

(c) (i) Details of stressed loan transferred during the financial year ended March 31, 2025

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA*	SMA
No. of accounts	31,453	-
Aggregate principal outstanding of loans transferred (₹ in crores)	259.37	-
Weighted average residual tenor of the loans transferred (in months)	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	-	-
Aggregate consideration (₹ in crores)	36.31	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

*Including written off loans amounting to ₹ 259.37 crores

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(c) (ii) Details of stressed loan transferred during the financial year ended March 31, 2026

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA*	SMA
No. of accounts	27,395	-
Aggregate principal outstanding of loans transferred (₹ in crores)	258.72	-
Weighted average residual tenor of the loans transferred (in months)	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	-	-
Aggregate consideration (₹ in crores)	36.22	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

*Including written off loans amounting to ₹ 258.72 crores

(c) (iii) Details of security receipt held and credit ratings

Particulars	Rating Agency	As at March 31, 2026
Arcil -Retail Loan portfolio-077-A-Trust	India Ratings	RR2
Arcil -Retail Loan portfolio-077-B-Trust	Crisil Ratings	RR1+
Arcil -Trust-2025-013	India Ratings	RR2
Arcil -Trust-2026-031	Unrated	Unrated

(d) The Company has not acquired any stressed loan during the financial year ended March 31, 2026 & March 31,2025.

53.26.3 Disclosures as required for liquidity risk

(a) Funding concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2026	As at March 31, 2025
Number of significant counter parties	28	27
Amount	3,846.10	3,193.10
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	73.40%	68.23%

(b) Top 20 large deposits

	As at March 31, 2026	As at March 31, 2025
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(c) Top 10 borrowings

	As at March 31, 2026	As at March 31, 2025
Total amount of top 10 borrowings	1,550.40	1,972.51
Percentage of amount of top 10 borrowings to total borrowings	30.90%	43.58%

(d) 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
Non-convertible debentures (Secured)	1,070.50	20.43%	1,407.75	30.08%
Non-convertible debentures (Unsecured)*	-	-	-	-
Term Loans	2,132.09	40.69%	1,852.89	39.59%
Borrowing under securitization arrangement	1,183.64	22.59%	925.13	19.77%
External commercial borrowings	631.40	12.05%	329.11	7.03%
Working capital/Line of credit/Overdraft facility*	-	-	-	-

*Previous Year it is less than 1% hence it is not disclosed.

(e) Stock ratios

Particulars	As at March 31, 2026	As at March 31, 2025
Commercial papers as a % of total public funds	-	-
Commercial papers as a % of total liabilities	-	-
Commercial papers as a % of total assets	-	-
Non-convertible debentures as a % of total public funds	-	-
Non-convertible debentures as a % of total liabilities	-	-
Non-convertible debentures as a % of total assets	-	-
Other short-term liabilities as a % of total public funds	51.69%	51.45%
Other short-term liabilities as a % of total liabilities	49.50%	49.76%
Other short-term liabilities as a % of total assets	33.37%	36.74%

Note 1 : Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.

Note 2 : Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.

Note 3 : Public funds are as defined in RBI Master directions.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.27 Transfer of financial assets

53.27.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by financial institution for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of transferred assets measured at amortised cost*	1,401.97	1,058.73
Carrying amount of associated liabilities (Debt securities -measured at amortised cost)	1,183.64	925.13

53.27.2 Transferred financial assets that are derecognised

During the year , the company has assigned (earlier measured at amortised cost) by way of direct assignment as per the agreed terms of the deals. Since substantial risk and rewards related to these assets were transferred to the buyer, the asset have been de-recognised from the books of accounts. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition during the year.

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of transferred assets measured at amortised cost	419.33	240.67
Carrying amount of exposures retained by the company at amortised cost	41.93	24.07
Gain on sale of the derecognised financial assets	67.97	37.59

Since the company transferred the above financial asset in a transfer that qualified for derecognition in its entirely, therefore the whole of the interest spread (over the expected life of the asset) is recognized on the day of derecognition itself as interest strip receivable and correspondingly recognised as gain on derecognition of financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.28 Detail of resolution plan implemented under the resolution framework for Covid - 19 related stress as per RBI circular dated August 06, 2020 (resolution framework - 1.0) and May 05, 2021 (resolution framework - 2.0) as March 31, 2026 as given below: -

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at March 31, 2025 (A) *	Of (A), aggregate debt that slipped in to NPA during the year ended March 31, 2026	Of (A) amount written off during the year ended March 31, 2026	Of (A) amount paid by the borrowers during the year ended March 31, 2026**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2026 *
Personal Loans #	0.11	-	0.01	0.07	0.04
Corporate Persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	0.11	**-**	**0.01**	**0.07**	**0.04**

* Consist of unbilled and overdue principal

** Includes portfolio sold to ARC

Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

53.29 Changes in liabilities arising from financing activities *

Particulars	April 1, 2025	Cash flows	Exchange difference	Other	March 31, 2026
Debt securities	1,418.13	(347.63)	-	-	1,070.50
Borrowings (other than debt securities)	2,183.07	513.65	66.77	(0.00)	2,763.49
Borrowings under securitisation	925.13	258.51	-	0.00	1,183.64
	4,526.33	**424.53**	**66.77**	**(0.00)**	**5,017.63**

Particulars	April 1, 2024	Cash flows	Exchange difference	Other	March 31, 2025
Debt securities	1,022.34	395.79	-	-	1,418.13
Borrowings (other than debt securities)	1,675.80	503.65	3.62	-	2,183.07
Borrowings under securitisation	800.85	124.28	-	-	925.13
	3,498.99	**1,023.72**	**3.62**	**-**	**4,526.33**

*Amounts are inclusive of accrued interest and EIR.

53.30 Pursuant to Regulation 54 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 we would like to state that all listed secured non-convertible debentures of the Company are secured by way of first exclusive charge on hypothecated book debts of the Company up to the extent minimum of 100% of the amount outstanding.

53.31 There are no significant subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.32 Intra Group Exposure

The company does not have any Intragroup Exposures for the Year ended March 31, 2026 & March 31, 2025.

53.33 Unhedged Foreign currency Exposure

The company has Nil Unhedged Foreign currency Exposure as at March 31, 2026 & March 31, 2025 except ₹ 0.02 Crores as on March 31,2026 of Trade payable. Refer Note 49 for policies to manage induce foreign currency risk

53.34 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the year ended March 31, 2026 and March 31, 2025 except loans to senior officers (KMP) of ₹ 0.19 crores during the year ended March 31, 2026 & loans to senior officers (KMP) of ₹ 0.36 crores during the year ended March 31, 2025.

53.35 Details of penalties imposed by RBI and other regulators

No penalties were imposed by the regulator during the year ended March 31, 2026 and March 31, 2025 except fine paid by the Company to BSE Limited during the year ended March 31, 2026 due to delay submission of Financial Results for the quarter and nine months ended December 31, 2025 of ₹ 0.01 Crores.

53.36 Breach of covenant

Instances of breach of covenant of loan availed or debt securities issued:

Breach of covenant	As at March 31, 2026	As at March 31, 2025
Number of instances	8*	20**
Amount involved	516.54	965.97

* Out of 8 instances waiver has been secured in 4 instances from recquisite lenders.

** Out of 20 instances waiver has been secured in 5 instances from recquisite lenders.

53.37 Divergence in Asset Classification and Provisioning

An NBFC shall disclose details of divergence if either or both of the following conditions are satisfied:-

(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

(b) the additional Gross NPAs identified by RBI/NBH exceeds 5 percent of the reported Gross NPAs for the reference period.

No inspection conducted by the RBI during the financial year ended March 31, 2026 and March 31, 2025.

53.38 Disclosure on Modified Opinion

The auditor have expressed an unmodified opinion for year ended March 31, 2026 & March 31, 2025.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.39 Sectoral exposure

Sector	FY 2025-2026 Total Exposure	FY 2025-2026 Gross NPAs	FY 2025-2026 % of Gross NPA to Total Exposure	FY 2024-2025 Total Exposure	FY 2024-2025 Gross NPAs	FY 2024-2025 % of Gross NPA to Total Exposure
(a) Agriculture and allied activities	-	-	-	-	-	-
(b) Industry	-	-	-	-	-	-
(c) Services	-	-	-	-	-	-
(d) Personal loans	-	-	-	-	-	-
(e) Others - MSME	6,535.41	311.84	4.77%	5,157.33	217.04	4.21%

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

53.40

Net Profit or Loss for the period, prior period items and changes in accounting policies: There are no any prior period items and changes in accounting policies.

53.41 Disclosure on Co-Lending Arrangement

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Total quantum of CLAs undertaken during the period		
(i) DCB Bank		
NBFC Share (25%)	-	43.53
Co-lending Partner Share (75%)	-	130.58
(ii) AXIS Bank		
NBFC Share (20%)	32.48	2.43
Co-lending Partner Share (80%)	129.94	9.70
(b) Outstanding quantum of CLAs undertaken as on date		
(i) DCB Bank		
NBFC Share (25%)	22.42	63.34
Co-lending Partner Share (75%)	67.25	190.03
(ii) AXIS Bank		
NBFC Share (20%)	30.42	2.42
Co-lending Partner Share (80%)	121.67	9.69
(c) Weighted average rate of interest	15%	15%
(d) Fees charged / paid,	0.01	0.40
(e) Broad sectors in which CLA was made	MSME	MSME
(f) Performance of loans under CLA,	-	-
(g) Details related to default loss guarantee, if any	Nil	Nil

53.42

The Company has no policy for granting loan against the collateral of gold/Silver Jewellery. As on 31st March, 2026 and 31st March, 2025, the Company did not have any loan against collateral of gold/ Silver Jewellery.

53.43 Non-Fund Based (NFB) Credit Facilities:-

As on 31st March, 2026 and 31st March, 2025, the Company did not have any Non-Fund Based (NFB) Credit Facilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

53.44 Off-balance sheet exposures and structured products

The company have off-balance sheet exposures of ₹ 63.18 Crores as on March 31,2026 and ₹ 41.13 Crores as on March 31,2025 and no structured products issued by it.

53.45 Disclosure of Liquidity Coverage Ratio

SL No.	Particulars	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)*	344.77	344.77
	Cash Outflows		
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	234.18	269.31
5	Additional requirements, of which		
	(i) Outflows related to derivative exposures and other collateral requirements	-	
	(ii) Outflows related to loss of funding on debt products	-	
	(iii) Credit and liquidity facilities	-	
6	Other contractual funding obligations	88.36	101.61
7	Other contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**	**322.54**	**370.92**
	Cash Inflows		
9	Secured lending	-	-
10	Inflows from fully performing exposures	216.47	162.35
11	Other cash inflows	54.02	40.52
12	**TOTAL CASH INFLOWS**	**270.49**	**202.87**
	Total Adjusted Value		
13	TOTAL HQLA		344.77
14	TOTAL NET CASH OUTFLOWS		168.05
15	**LIQUIDITY COVERAGE RATIO (%)**		**205.16%**

***Total High Quality Liquid Assets (HQLA) Includes:-**

Particulars	Amount
T-Bill	45.94
Cash & Bank	127.18
Fixed Deposits	171.65
Total	**344.77**

Qualitative Disclosure on LCR –

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of ₹5,000.00 crore and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e. cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines, LCR has been calculated using the simple average of daily observations (over a period of 90 days).

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments. To compute inflow from fully performing exposures, the company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from non-collable fixed deposits, Certificates of deposits, and mutual fund investments maturing in the next 30 days on as-is basis. The LCR as of March 31, 2026, is 205.16%, which is above the regulatory requirement of 100%.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

54 OTHER NOTES

Balance Sheet disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 RBI/DOR/2025-26/359 DOR.ACC. REC.No.278/21.04.018/2025-26 dated 28 November, 2025.

Liabilities Side:

54.1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:

Particulars	Amount Outstanding	Amount Overdue
(a) Debentures:		
(i) Secured	1,070.50	-
(ii) Unsecured	-	-
(other than falling within the meaning of Public deposits*)		
(b) Deferred credits		
(c) Term loans	2,763.49	-
(d) Inter - corporate loans and borrowings		
(e) Commercial paper		
(f) Public deposits		
(g) Other loans		
(i) Liabilities in respect of securitised transactions	1,183.64	
(ii) Loans repayable on demand	-	

* Please see Note 1 below

54.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Particulars	Amount Outstanding	Amount Overdue
(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	-	-

Assets Side:

54.3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Particulars	Amount Outstanding
(a) Secured	3,903.12
(b) Unsecured	2,637.24

54.4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Particulars	Amount Outstanding
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

54.5 Break-up of investments:

Particulars		Amount Outstanding
	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(security receipt - ARCIL TRUST)	59.80
	(vi) Others(T-Bill)	58.19
	(vii)Others (Pass through certificates)	2.21
	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	-
2	**Unquoted:**	
	(i) Shares:	
	(a) Equity	0.25
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (Pass through certificates)	97.74

54.6 Borrower group-wise classification of assets financed as in (3) and (4) above : (Please see Note 2 below)

Category		Amount Net of Provisions		
		Secured	Unsecured	Total
1	Related Parties**			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	3,761.20	2,505.23	6,266.44
		3,761.20	**2,505.23**	**6,266.44**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

54.6 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		Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **		
	(a) Subsidiaries	0.25	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	217.94	158.14
		218.19	**158.14**

** As per notified Accounting Standard (Please see below Note 3)

54.8 Other information

Particulars		Amount
(i)	Gross non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	311.84
(ii)	Net non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	113.34
(iii)	Assets acquired in satisfaction of debts (net of provision)	-

Notes:

1 As defined in RBI NBFC 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 or current in (5) above.

55.1 Details of the Code on Social Security, 2020 ('CODE') relating to employee benefits

Effective November 21, 2025, the Government of India notified the four Labour Codes -the Code on Wages, 2019, the Industrial Relations Code, 2020. the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 collectively referred to as the 'New Labour Codes' - consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs on December 30. 2025, to facilitate assessment of the financial impact arising from these regulatory changes. Under IND AS 19, changes to employee benefit plans arising from the New Labour Codes constitute plan amendments and they are required to be treated as past service costs and recognised as an expense in the statement of profit and loss. Accordingly, the New Labour Codes has resulted in an estimated increase in provision for employee benefits of ₹ 2.92 Crores and the same has been recognized under the head 'Employee Benefit Expenses' during the year ended March 31, 2026. The Company continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting treatment on the basis of such developments as needed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

55.2 Initial Public Offer Proceeds

During the year ended March 31, 2026, the Company had completed its Initial Public Offering (IPO) of 78,294,571 equity shares of face value ₹ 2 each at an issue price of ₹ 129 per share. The IPO comprised a fresh issue of 55,038,759 equity shares and an offer for sale of 23,255,812 equity shares by the selling shareholders. The Company's equity shares were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited on February 16, 2026.

The Company received net proceeds of ₹ 672.24 Crores (after deducting estimated offer expenses of ₹ 37.76 Crores, including pre-IPO expenses) from the fresh issue. Funds raised through the offer for sale were remitted to the selling shareholders (net of expenses borne by them).The utilisation of the net proceeds is summarised as below:

S. No.	Objects of the Issue as per Prospectus	Amount to be Utilised (Net)	Amount Utilised up to March 31, 2026	Total Amount Unutilised as at March 31, 2026
1.	Augmenting our capital base to meet our Company's future capital requirements arising out of growth of our business and assets	672.24	502.24	170.00
		672.24	**502.24**	**170.00**

Out of the net proceeds which were unutilized as at March 31, 2026, ₹ 170.00 crores are temporarily invested in fixed deposits and ₹ 53.72 crores is held in the Company's monitoring accounts.

55.3 Exercise of ESOP Options by certain employees of the Company

Pursuant to exercise of ESOP Options by certain employees of the Company under ESOP Plans 2016, 2020 & 2024, the Nomination & Remuneration Committee through resolution by circulation dated November 26, 2025 had approved the transfer of 5,15,081 Equiiy Shares from Aye Finance Employees Welfare Trust and also allotted 3,937 Fresh Equity Shares having face value of INR 2 each to Employees upon Exercise of Vested Options.

55.4 Share Application Money Pending Allotment

As at March 31, 2026, an amount of ₹ 0.09 Crores was outstanding, representing amounts received from employees towards face value, securities premium and perquisite tax, pending allotment of shares. Subsequent to March 31, 2026, equity shares were issued against the said share application money.

56 OTHER STATUTORY INFORMATION

(a) The Company do not have any investment property.

(b) The Company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

(c) Since, the Company does not have any immovable property, clause related to title deeds of property not held in the company's own name is not applicable.

(d) The Company does not have any pending creation of charge or satisfaction of charge which are yet to be filed or registered with Registrar of Companies except for 26 such cases in which charges are outstanding to be satisfied as the borrowings has been repaid against them. Out of these, 22 cases are outstanding due to non-receipt of NOC from banks/other lenders and 4 are in process.

(e) The Company is a is a Middle Layer Non-Banking Financial Company (NBFC-ML), registered with the Reserve Bank of India ("the RBI").

(f) The quarterly statement of current assets submitted to banks/ financial institutions which are provided as security against the borrowings are in agreement with the books of account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in ₹ crores unless otherwise stated)

(g) There has been no significant events after the reporting date require disclosure in these financial statements.

(h) The Company has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(i) The Company has not traded or invested in crypto currency or virtual Currency during the financial year.

(j) 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

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

(k) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(l) During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable to the Company.

(m) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or Jointly with any other person that are:

(a) Repayable on demand; or

(b) without specifying any terms or period of repayment.

(n) The Company is not declared wilful defaulter by any bank or financial institution or other lenders.

(o) During the financials year 2025-26 and financials year 2024-25, The Company has not invested with number of layers of Companies as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

In terms of our report attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

per Vijay Kumar
Partner
Membership No: 092671

New Delhi
April 27, 2026

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Sanjay Sharma	Sovan Satyaprakash	Vipul Sharma	Govinda Rajulu Chintala
Managing Director	Interim Chief Financial Officer	Company Secretary	Chairperson and Independent Director
DIN: 03337545		Membership No: A27737	DIN: 03622371
Gurugram	Gurugram	Gurugram	Mumbai
April 27, 2026	April 27, 2026	April 27, 2026	April 27, 2026

NOTICE OF 33RD ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Third (33rd) Annual General Meeting of the Members of **AYE FINANCE LIMITED (Formerly Known as Aye Finance Private Limited)** ("**Company**") will be held on **Tuesday, September 1, 2026 at 11:30 A.M. (IST)** through Video conferencing ("**VC**") or Other Audio-Visual Mode ("**OAVM**") to transact the following businesses:

ORDINARY BUSINESSES:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with rules made thereunder, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s), thereof for the time being in force), the Audited Financial Statements including Balance Sheet of the Company as on March 31, 2026, Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended March 31, 2026 together with the schedules/notes thereto and Reports of the Board of Directors and Auditors together with its annexures thereon be and are hereby received, considered and adopted."

2. **TO APPOINT A DIRECTOR IN PLACE OF MR. ADITYA MISRA (DIN: 09376632) WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013 read with relevant provisions of Articles of Association of the Company, Mr. Aditya Misra (DIN: 09376632), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **APPOINTMENT OF THE STATUTORY AUDITORS OF THE COMPANY**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142, 143 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 read with Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 & Policy on Appointment of Statutory Auditors of the Company and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company, be and is hereby accorded for the appointment of M S K A & Associates, LLP Chartered Accountants, (Firm Registration No. 105047W/W101187) issued by Institute of Chartered Accountants of India (ICAI), having a valid Peer review Certificate no. 016966 dated June 3, 2024 issued by the Peer Review Board of ICAI, as Statutory Auditors of the Company, for a period of 3 (three) consecutive years effective from the conclusion of this Annual General Meeting for the financial year 2025-26 till the conclusion of 36th Annual General Meeting for the financial year 2028-29, subject to the firm satisfying the eligibility norms each year, on such terms and conditions, including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors, as per recommendation of the Audit Committee and in consultation with the said Auditors.

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as **'Board'**, which term shall be deemed to include any Committee constituted or to be constituted by the Board in this regard) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/ scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, to alter and vary the terms & conditions of remuneration arising out of increase in scope of work, amendment in regulations and such other requirements resulting in the change in scope of work, etc. without being required to seek any further consent or approval of the members of the Company."

SPECIAL BUSINESSES:

4. **TO APPROVE INCREASE IN THE BORROWING LIMIT OF THE COMPANY FROM INR 8,000 CRORES TO INR 10,000 CRORES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

   To consider and if thought fit, to pass the following resolution as **Special Resolution**:

   "RESOLVED THAT in supersession of an earlier special resolution passed by the Members of the Company in their 32nd Annual General Meeting held on September 26, 2025 and pursuant to the provisions of Section 180(1)(c) & other applicable provisions, if any, of the Companies Act, 2013 **("Act")** read with rules made thereunder & as per the applicable directions/ guidelines issued by the Reserve Bank of India & any other circulars, notifications & guidelines issued in this regard (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) read with relevant provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to raise or borrow from time to time such sum or sums of monies in any form whether in Indian rupees or in foreign currency, in any form or manner and in one or more tranches including but not limited to by way of loan or financial facility/ assistance from any bank, financial institution, foreign lender and/ or other lenders and/ or by way of issue of debentures/ bonds/ commercial papers/ external commercial borrowings or such other instrument, with or without security, whether in India or outside India on such terms and conditions as the Board or any committee authorised for the same may deem fit for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from its bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company not set apart for any specific purpose provided that the total amount up to which monies may be borrowed by the Board of Directors shall not remain outstanding for more than INR 10,000 (Indian Rupees Ten Thousand Crores only) at any point of time.

   RESOLVED FURTHER THAT the Board, be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

5. **TO APPROVE CREATION OF CHARGES ON THE ASSETS OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/ TO BE MADE BY THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

   To consider and if thought fit, to pass the following resolution as **Special Resolution**:

   "RESOLVED THAT in supersession of an earlier special resolution passed by the Members of the Company in their 32nd Annual General Meeting held on September 26, 2025 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 **("Act")** read with

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rules made thereunder and other applicable provisions, if any, Regulation 37A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & as per the applicable directions/ guidelines issued by the Reserve Bank of India & any other circulars, notifications & guidelines issued in this regard (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) read with relevant provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted/ may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create such charges, mortgages, lien, pledge, hypothecation and/ or any other form of security interest of any nature and any kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/ or any other form of security interest of any nature and any kind created by the Company, on such movable and/ or immovable properties including book debt, receivables of the Company, both present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), in such manner as the Board may deem fit, in certain events in favour of banks/ financial institutions, mutual funds, trusts, other body corporates and any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the holders of debentures/ bonds/ other instruments to secure *inter-alia* loan or financial facility/ assistance from various banks, financial institutions, foreign lenders and/ or other lenders and/ or by way of issue of debentures/ bonds/ commercial papers/ external commercial borrowings or such other instrument, etc. (hereinafter collectively referred to as the "**Loans**") which may be issued on private placement basis or otherwise to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges and expenses thereon and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not exceed INR 10,000 Crores (Indian Rupees Ten Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank exclusive/ prior/ pari-passu/ subsequent with/ to the hypothecation/ mortgages/ lien and/ or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board, be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

6. TO APPROVE ISSUANCE OF NON-CONVERTIBLE DEBENTURES IN ONE OR MORE TRANCHES ON PRIVATE PLACEMENT BASIS

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of an earlier special resolution passed by the Members of the Company in their 32nd Annual General Meeting held on September 26, 2025 and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 **("Act")** read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, applicable provisions of the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" dated October 15, 2025 [including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof for the time being in force] and the enabling provisions of the

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listing agreement(s) entered into with the stock exchange(s) where the applicable securities of the Company are listed, Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 read with Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 dated November 28, 2025 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory/ regulatory authority, as may be applicable, the Memorandum and Articles of Association of the Company and subject to such consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if any and to the extent necessary, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted/ may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create, offer, invite for subscription, issue and allot non-convertible debentures ((a) subordinated or unsubordinated, (b) listed, (c) senior secured, (d) senior unsecured, (e) unsecured, (f) market linked debentures, (g) perpetual or non-perpetual and/ or (h) any others (as may be determined)) **("NCDs")**, denominated in Indian Rupees or any other permitted foreign currency by way of private placement, in 1 (one) or more series or tranches, from time to time, to any category of investors eligible to invest in the NCDs, provided that the aggregate amount to be raised through the issuance of NCDs shall not collectively exceed an overall limit of INR 4,000 Crores (Indian Rupees Four Thousand Crore only) **("Limit")** on such terms and conditions including the price, coupon, premium / discount on face value, redemption premium, tenor etc. and at such times whether at par/ premium/ discount, as may be determined by the Board to such person or persons including one or more company(ies), bodies corporate, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment funds, pension/ provident funds, family office(s) and individual(s), as the case may be or such other person/ persons/ investors as the Board may so decide/ approve in its absolute discretion, for a period of 1 (one) year, from the date of approval of this resolution by the Members of the Company and the Limit shall be subject to the overall borrowing limits of the Company, as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/ regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard and do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to disclosures with stock exchanges and to comply with all other requirements in this regard."

By order of the Board
For **Aye Finance Limited**
(Formerly Known as Aye Finance Private Limited)

(Gaurav Seth)
Chief Financial Officer

Place: Gurugram
Date: July 22, 2026

Registered Office: M-5, Magnum House-I,
Community Centre, Karampura, West Delhi,
New Delhi -110015, India
Tel. no.: 0124-4844000
CIN: L65921DL1993PLC283660
E-mail ID: secretarial@ayefin.com
Website Address: www.ayefin.com

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NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("**Act**"), read with the relevant Rules made thereunder and Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 ("**SEBI Listing Regulations**") setting out the material facts and reasons in respect of the special businesses is annexed hereto. Information pursuant to the provisions of Regulations 36(3) & 36(5) of SEBI Listing Regulations read with Secretarial Standard-2 issued by the Institute of Company Secretaries of India for Item nos. 2 & 3 respectively, is annexed as **Annexure-1** to this Notice.

2. In compliance with the framework prescribed by Ministry of Corporate Affairs vide General Circulars No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 19/2021 dated December 8, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022, No. 10/2022 dated December 28, 2022, No. 09/2023 dated September 25, 2023, No. 09/2024 dated September 19, 2024 and the latest being No. 03/2025 dated September 22, 2025 (collectively referred to as '**MCA Circulars**') and circulars issued by SEBI in this regard from time to time, 33rd AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company at M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi -110015, India.

3. In compliance with the aforesaid MCA Circulars and Regulation 36(1) of SEBI Listing Regulations, the Notice of Annual General Meeting ("**AGM**") and Annual Report *inter-alia* indicating the process and manner of attending the AGM through VC including e-voting are being sent by email to the Members, Debenture Trustees, Auditors, Directors of the Company and to all other persons so entitled whose email IDs have been made available to the Company / Registrar and Transfer Agent ("**RTA**") i.e. Kfin Technologies Limited or with Depository Participants ("**DP**") and whose names appear in the register of members/ list of beneficiaries received from the depositories as of **Friday**, **August 7, 2026**. Members may note that this Notice of AGM and Annual Report will also be available on the website of the Company at https://www.ayefin.com/, on the website of Stock Exchanges i.e. BSE Limited at https://www.bseindia.com/ & National Stock Exchange of India Limited at https://www.nseindia.com/ and on the website of Central Depository Services (India) Limited (e-voting agency) at https://www.evotingindia.com/. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

4. In compliance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is providing e-voting facility, through e-voting services provided by Central Depository Services (India) Limited ('**e-voting agency**'), to its Members to enable them to cast their votes electronically on the resolutions included in this Notice. The procedure for participating in the meeting through VC/ OAVM is explained in these notes.

5. As the meeting is conducted through VC, physical attendance of Members has been dispensed with and the members are requested to virtually attend and vote at the AGM. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. Institutional Investors/ Corporate Members (i.e., other than individuals, HUF, NRI etc.) intending to appoint their authorized representative(s) pursuant to Section 113 of the Act, as the case may be, to attend the AGM through VC and to vote through remote e-voting or e-voting during the AGM are requested to send a certified copy of the Board Resolution/ Power of Attorney/ Authority Letter etc. to the Scrutinizer by e-mail at sanjaygrover7@gmail.com with a copy marked to secretarial@ayefin.com, helpdesk.evoting@cdslindia.com. Institutional Investors / Corporate Members (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under the 'e-voting' tab in their login.

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7. SEBI vide its Master Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, has introduced Online Dispute Resolution ('**ODR**'), which is in addition to the existing SEBI Complaints Redress System ('**SCORES**') platform, which can be utilised by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform. The SMART ODR Portal can be accessed at: https://smartodr.in/login. The same link is also available at the website of the Company at https://www.ayefin.com/.

8. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, Certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and relevant documents referred to in the Notice and Explanatory Statement will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. **Tuesday, September 1, 2026**. Members seeking to inspect such documents can send an email to secretarial@ayefin.com.

9. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. **Tuesday, August 25, 2026**, may obtain the login ID and password by sending a request at secretarial@ayefin.com. However, if he/ she is already registered with CDSL for remote e-voting then he/ she can use his/ her existing User ID and password for casting the vote.

10. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

11. The provisions of SEBI Circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026 as amended from time to time, pertaining to Shareholders holding securities in physical form, are not applicable to the Company, as the entire shareholding of the Company is held in dematerialized form and there are no Shareholders holding shares in physical mode.

12. As per the provisions of Section 72 of the Act, the facility for making the nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Shareholders are requested to submit the said form to their respective Depository Participant (DP).

13. Non-convertible securities (NCS) holder seeking non-deduction of Tax Deducted at Source (TDS) on the interest earned from their NCS holdings are requested to submit Form 121 at dcm.taxexemptions@ayefin.com.

14. NCS holders are requested to verify and update their bank account details and IFSC with their respective Depository Participants in case of any modifications or missing information to ensure timely and hassle-free payment of interest and redemption proceeds.

15. In terms of Regulation 36(1)(b) and 58(1)(b) of SEBI Listing Regulations, the Company shall dispatch a '**Letter**' with web-link and exact path to access full Annual Report for financial year 2025-26 to Shareholders and holder of non-convertible securities, who have not registered their email address with the Registrar to an Issue & Share Transfer Agent/ Depository Participants/ Depositories.

16. In case of joint Shareholders, only such joint holder whose name is appearing first in the Register of Members will be entitled to vote at the AGM.

17. Members are requested to intimate changes/ update, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, Bank Details such as name of the Bank, Branch details, Bank account number, MICR code, IFSC code, etc., to their respective Depository Participants with whom they are maintaining their demat account.

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18. The Board of Directors has appointed Mr. Kapil Dev Taneja, Partner (CP No.: 22944) or failing him Mr. Neeraj Arora, Partner (CP No.: 16186) of M/s. Sanjay Grover & Associates, Company Secretaries, (Firm Registration No. P2001DE052900), having office at New Delhi, as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed.

19. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company https://www.ayefin.com/ and on the website of CDSL www.evotingindia.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to the Stock Exchanges.

20. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.

21. **CDSL e-voting System – For e-voting and joining virtual meeting:**

1. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

3. The AGM has been convened through VC / OAVM in compliance with applicable provisions of the Act read with the MCA Circulars and SEBI Circulars.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on **Saturday, August 29, 2026 at 9:00 A.M. (IST)** and ends on **Monday, August 31, 2026 at 5:00 P.M. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, August 25, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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Step 1: Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking thes e-voting option, the user will be able to see e-Voting page of the e-voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be re-directed to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "**Shareholders**" module.
3) Now enter your User ID
   a) For CDSL: 16 digits beneficiary ID,
   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "**SUBMIT**" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant Aye Finance Limited on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sanjaygrover7@gmail.com, secretarial@ayefin.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

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4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

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

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

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ayefin.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ayefin.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

10. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. **For Physical Shareholders**- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **secretarial@ayefin.com/ sharmila.amin@kfintech.com**.

2. **For Demat Shareholders**- Please update your email id & mobile no. with your respective **Depository Participant (DP)**.

3. **For Individual Demat Shareholders**- Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

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

ITEM NO. 4

Being into the business of NBFC, the Company envisages requirements of more funds from various lenders of repute to run its operations smoothly and consistently. The Company has outstanding borrowing of INR 5,005 Crores, excluding DA as of March, 2026. The Company has a plan to raise additional funding to the tune of INR 5,500 Crores to INR 6,000 Crores in the form of debt through different instruments. This fresh borrowing estimates may take our exposure over the current approved limit of INR 8,000 Crores.

As the business requirements of the Company is growing at a fast pace and to enable an active borrowing program by the Company and to meet the short term and long-term funding requirements of the Company and for onward lending by the virtue of the fact of ordinary course of business and general corporate purposes of the Company, the Company may consider undertaking different forms of borrowings including but not limited to term loan(s), working capital facilities, debentures/ bonds/ commercial papers/ external commercial borrowings or such other instrument with or without security, whether in India or outside India as may be allowable to be mobilized by the Company. Since the existing approved limit is likely to get exhausted in near future, it is proposed to increase the present borrowing limits from INR 8000 Crores (Indian Rupees Eight Thousand Crores only) to INR 10,000 Crores (Indian Rupees Ten Thousand Crores only) over and above the paid-up share capital, free reserves and securities premium of the Company.

Pursuant to Section 180(1)(c) of the Act, the Board of Directors or any Committee authorised by the Board shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Members of the Company by way of a Special Resolution.

Accordingly, the Board of Directors of the Company, vide its resolution passed in their meeting held on July 22, 2026, has proposed to increase the borrowing limit, subject to approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out as **Item No. 4** of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 5

Pursuant to Section 180(1)(a) of the Act, the Company is required to create such charges, mortgages, lien, pledge, hypothecation and/ or create security interest of every nature and kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind, created by the Company, on such movable and/or immovable properties, including the whole or substantially the whole of the Company's undertaking or undertakings, both present and future and in such manner as the Board may deem fit, together with power to dispose off the substantial assets of the Company in certain events in favour of banks/ financial institutions and their subsidiaries, mutual funds, trust, other body corporates any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the holders of debentures/ bonds/ other instruments to secure inter-alia loan or financial facility/ assistance from various banks, financial institutions and/ or other lenders and/ or by way of issue of debentures/ bonds/ commercial papers/ external commercial borrowings or such other instrument, etc. (hereinafter collectively referred to as the "**Loans**") which may be issued on private placement basis or otherwise to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, at present the Company can incur up to INR 8,000 Crores (Indian Rupees Eight Thousand Crores only).

Accordingly, it is proposed to seek approval of the Members under Section 180(1)(a) of the Act, to authorize the Board of Directors to create such charges, mortgages, lien, pledge, hypothecation and/ or create security interest of every nature and kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind, created by the Company, on such movable and/ or immovable properties, including the whole or substantially the whole of

NOTICE (CONTD.)

the Company's undertaking or undertakings, both present and future, and in such manner as the Board may deem fit, together with power to dispose off the substantial assets of the Company in certain events in favour of banks/ financial institutions and their subsidiaries, mutual funds, trust, other body corporates any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the purpose of securing the borrowing(s) of the Company for a sum equivalent to INR 10,000 Crores (Indian Rupees Ten Thousand Crores only).

The Board of Directors of the Company, vide its resolution passed in their meeting held on July 22, 2026 has proposed to approve creation of charges on the assets of the company, subject to approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out as **Item No. 5** of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 6

Pursuant to the provisions of Section 42 of the Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company can issue securities including NCDs on a private placement basis subject to the condition that the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company, by means of a special resolution, for each of the offer or invitation. In case of an offer or invitation for NCDs, it shall be sufficient if the Company passes a special resolution only once in a year for all the offer(s) or invitation(s) to subscribe to such NCDs on a private placement basis, during a period of 1 (one) year from the date of passing of the Special Resolution.

In view of the above requirement, the Members of the Company at the last AGM held on September 26, 2025 had approved the raising of funds by issue of NCDs on private placement basis in pursuance of the relevant provisions of the applicable laws and circulars or guidelines issued by the RBI, up to an amount not exceeding INR 4,000 Crores (Indian Rupees Four Thousand Crores only), in one or more series/ tranches, during a period of 1 (one) year from the date of passing of the Special Resolution.

Currently, the Company has outstanding NCDs amounting to INR 1,066 Crores as of March, 2026. Consequently, there is sufficient headroom within the approved borrowing limits to accommodate incremental fund-raising through the issuance of NCDs.

Accordingly, in order to augment resources for on-lending by the Company, repayment/ refinance of existing debt, working capital requirement, investments, general corporate purposes and after accessing existing & future projections of the Company & to facilitate the Company to evaluate a potential fund raising at an appropriate time in one or more tranches in Indian as well as overseas market by issue of NCDs, consent of the Members of the Company is sought in connection with the aforesaid issue of listed, secured/ unsecured, senior/ subordinated/ unsubordinated, rated/ unrated, perpetual/ non-perpetual, redeemable (including market linked debentures) cumulative/ non-cumulative NCDs and they are requested to authorize the Board (including any Committee thereof, which the Board may have constituted/ authorised or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to the Board (including any Committee of the Board) to issue such NCDs for a period of 1 (one) year on private placement basis or public issue up to INR 4,000 Crores (Indian Rupees Four Thousand Crores only), in one or more series/ tranches on private placement basis or public issue within the limits permitted by the RBI and other regulatory authorities, if any, to the eligible investors, during a period of 1 (one) year from the date of passing of this Special Resolution.

The said non-convertible debt securities would be issued by the Company in accordance with the applicable statutory guidelines, for cash either at par or premium to face value depending upon the prevailing market conditions and the pricing of such securities depends upon various factors which may include prevailing risk free rates, competitor rates of similar rating and prevailing regulations.

Furthermore, the offer shall be made to such persons as identified under Section 42 of the Act, on such terms and conditions including the price, coupon, par/ premium/ discount, tenor etc., as may be determined by the Board, in the prevailing market conditions as

NOTICE (CONTD.)

permitted by the relevant applicable regulations. Valuation is not required as the NCDs are proposed to be issued in one or more series/ tranches.

The Board of Directors of the Company, vide its resolution passed in their meeting held on July 22, 2026 has proposed to approve issuance of NCDs in one or more tranches on private placement basis or public issue, subject to approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out as **Item No. 6** of the Notice for approval by the Members as a Special Resolution.

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ANNEXURE - 1

Details of Director seeking appointment/ re-appointment at the Annual General Meeting in accordance with Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:

Sr. No.	Particulars	Details
1.	Name of the Director	Mr. Aditya Misra
2.	DIN	09376632
3.	Date of first appointment on the Board of the Company	September 28, 2024
4.	Date of Birth	September 25, 1990
5.	Age	36 years
6.	Qualification	He holds a Bachelor of Technology degree from Indian Institute of Technology, Bombay
7.	Brief Resume, Experience & Nature of Expertise	He is currently a director of investments at ABC Impact (a member of Temasek Trust Asset Management Pte. Ltd.). Previously, he was also associated with Omidyar Network India Advisors Private Limited and A.T. Kearney Limited. He has over 12 years of experience in the investment sector.
8.	Chairmanship/ Membership of the Committees of the Board of Directors of the Company	**Membership:** a) Audit Committee b) Nomination and Remuneration Committee c) Risk Management Committee d) Asset and Liabilities Committee e) Securities Allotment Committee **Chairmanship:** Nil
9.	Terms and conditions of re-appointment	As per the resolution at Item no. 2 of the Notice convening this meeting.
10.	Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Nil
11.	Disclosure of Relationship with Directors, Manager and Key Managerial Personnel of the Company inter se	Nil
12.	Companies (other than Aye Finance Limited) in which Mr. Aditya Misra holds directorship as on March 31, 2026	a) Vedantu Innovations Private Limited b) Akshayakalpa Farms and Foods Private Limited
13.	Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
14.	Resignation details in the listed entities during the last 3 years	NA
15.	Shareholding in Aye Finance Limited: (including the Shareholding as Beneficial owner)	Nil
16.	Number of Board Meetings attended during the financial year	11 out of 11 meetings

NOTICE (CONTD.)

Details of Auditors seeking appointment / re-appointment as Statutory Auditors at the Annual General Meeting in accordance with Regulation 36(5) of SEBI Listing Regulations:

Sr. No.	Particulars	Details
1.	Name of the Proposed Statutory Auditor	M S K A & Associates, LLP, Chartered Accountants
2.	Proposed fees payable to the statutory auditor(s)	INR 95,00,000 (Indian Rupees Ninety Five Lakh only) for the financial year 2026-27 plus applicable taxes, reimbursement of travelling and out of pocket expenses incurred by them for the purpose of Audits.
3.	Terms of Appointment	3 (three) continuous years from the conclusion of this Annual General Meeting till 36th Annual General Meeting to be held in the year 2029.
4.	Material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There is no material change in the fee payable to the proposed Auditors from that paid to the outgoing Auditors.
5.	Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed	**Basis of recommendation:** After evaluating and considering various factors such as industry experience, competency of the audit firm, efficiency in conduct of audit & independence, the Board of Directors of the Company in their meeting held on April 27, 2026, based on the recommendation of the Audit Committee, recommended the appointment M S K A & Associates, LLP, Chartered Accountants, (Firm Registration No. 105047W/ W101187), as Statutory Auditors of the Company to hold office for a period of 3 (three) continuous years from the conclusion of this Annual General Meeting till 36th Annual General Meeting to be held in the year 2029. **Brief Profile:** M S K A & Associates LLP, established in 1978, is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board) having offices across 14 key cities in India at Mumbai, Delhi NCR (Gurugram & Noida), Kolkata, Ahmedabad, Pune, Goa, Chennai, Bangaluru, Kochi, Chandigarh, Hyderabad, Bhopal, Vadodara and Coimbatore. M S K A & Associates offers a wide range of services in Audit Assurance, Tax and Advisory domain led by industry experts with deep knowledge pockets and driven by a commitment, to deliver – quality services to all clients.

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AYE Finance Limited

Unit No. 701-711, 7th Floor, Unitech
Commercial Tower-2, Sector-45,
Arya Samaj Road, Gurugram – 122003,
Haryana, India

Concept, Content & Design
(info@wyatt.co.in)