Arman Financial Services Limited

Registered Office: 502-503, SAKAR III, OPP. OLD HIGH COURT, OFF ASHRAM ROAD, AHMEDABAD-380014, GUJARAT, INDIA
PH.: +91-79-40507000, 27541989 E-mail: finance@armanindia.com CIN: L55910GJ1992PLC018623

Date: September 04, 2025

To, BSE Limited Phiroze Jeejeebhoi Tower, Dalal Street, Mumbai–400001 **SCRIPT CODE: 531179**	To, National Stock Exchange of India Limited "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai- 400051 **SYMBOL: ARMANFIN**

Dear Sir,

Sub: Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of 33rd Annual General Meeting (AGM) along with Annual Report of the Company for the Financial Year 2024-25.

This is further to our Letter dated August 13, 2025 wherein, the Company had informed that the 33rd AGM is scheduled to be held on Monday, September 29, 2025 at 12.00 noon through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance, with the relevant Circulars issued by the MCA & SEBI.

In terms of the requirement of Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company including the Notice of AGM for the FY 2024-25. The Company has sent the same today through electronic mode to the Members who have registered their Email IDs with the Company's R&TA/DP. The Members whose E-mail ID are not registered, a letter providing a web-link for accessing Notice of the AGM and Annual Report for FY 2024-25 is being sent.

Further, the Company is pleased to provide e-voting facility through National Securities Depository Limited to the Members holding shares in physical or in dematerialized form, as on cut-off date i.e. Monday, September 22, 2025 to cast their votes by using remote e-voting and e-voting during the AGM on the resolutions as set forth in the Notice of AGM.

The Notice of AGM along with the Annual Report for the FY 2024-25 is also available on the website of the Company viz. www.armanindia.com

Kindly take it on your record.

Thanking you,
Yours Faithfully,

For, Arman Financial Services Limited

Uttambhai Narayanbhai Patel
Digitally signed by Uttambhai Narayanbhai Patel
Date: 2025.09.04 15:47:18 +05'30'

Uttam Patel
Company Secretary

Arman Financial Services Limited

All hands on deck

ANNUAL REPORT
2024-25

Content

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

NAMRA FINANCE LIMITED

We are in the Midst of a Crisis.

For over 15 years, the JLG model of microfinance has been our compass, guiding us, steady and reliable. It worked, it delivered, and it changed lives across rural India.

But nothing in life or business stands still. The winds have shifted. Competition is rising. Rural India itself is evolving. And what once gave us a clear edge now demands fresh thinking.

The signs are evident.
Disbursements have eased.
Asset quality feels the strain.
Assets Under Management have dipped.
Net profit has reduced.

We are at a crossroads where familiar maps no longer hold the answers. This is not a setback; it is a signal. A call to realign, to reimagine, and to rebuild.

The next page is where the journey unfolds.
Because the story is just beginning.

Charting a New Course

When the tide turns, it is not the strongest ship that prevails, but the one that adjusts its sails.

We are doing exactly that. We have recalibrated our operating model and strengthened our business processes making deliberate changes that will protect us in the present while unlocking growth in the future.

This moment has drawn every hand, every mind, and every heart to the deck. Together, we are reshaping how we work, ensuring that our model reflects the new realities of rural India while staying true to our mission of empowering lives.

This is more than navigating turbulence. It is about steering with intention, turning headwinds into momentum.

And with collective resolve, we know...

We will strive.
We will thrive.

Because in this journey, there is only one way forward...

All Hands on Deck.

Sector in Turmoil. The Bigger Picture

DULL EARNINGS & RISING REPAYMENTS

In the rural ecosystem, real income growth has remained largely stagnant over the past four years, reflecting a sharp decline in job creation and earning opportunities. Meanwhile, household-level retail debt has risen by 40–50%, underscoring a growing dependence on leverage. This surge in indebtedness has been fuelled by multiple players prioritising growth over prudence, often extending liquidity while relaxing fundamental lending norms. As a result, impairment costs, which were historically averaged around 2-3%, have increased multifold; in turn, profitability has plummeted for most MFI players.

THE LEGACY MODEL HAS BEEN COMPROMISED

Historically, the MFI industry has relied on the joint liability group (JLG) model and population-based credit norms, such as limiting the number of lenders per customer, capping outstanding debt and EMI burdens. While these standardised frameworks were effective in the past, the one-size-fits-all approach is increasingly misaligned with current ground realities. The JLG culture has eroded significantly and is unlikely to return to its original form.

DELEVERAGING: THE PAIN BEFORE THE GAIN

Restricting liquidity is undeniably painful in the short term, but it remains a necessary corrective to restore balance and enable sustainable growth. The sector is actively deleveraging, in alignment with the new guardrails introduced by the SROs. Industry portfolios have declined from a peak of ₹4.5 lakh crore to ₹3.7 lakh crore by March 2025 (Source MFIN Micrometer).

KEY INDICATORS

Status of rural households

	NAFIS-2016-17	NAFIS-2021-22	% chg
Avg monthly income (₹)	8,059	12,698	57.56
Avg monthly expenditure (₹)	6,646	11,262	69.46
ood expenditure as % of total consumption	51	47	(7.84)
% of households that reported outstanding debt (%)	47.4	52	9.7
Avg size of land possessed (hectares)	1.08	0.74	(31.48)
Insurance penetration (% of households)	25.5	80.3	214.9

NAFIS: Nabard All India Financial Inclusion Survey
Source : Business Standard

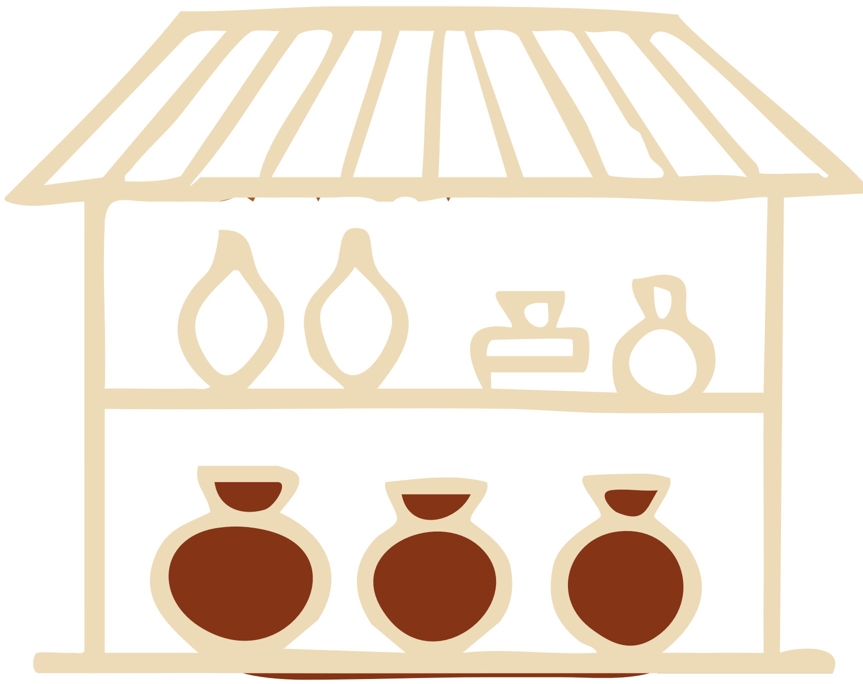
AGREEMENT & DISAGREEMENT

While competition persists, most players, except for a few outliers, have adopted a cautious approach. Portfolios are contracting, and there's growing acceptance that degrowth is not inherently negative. Asset quality has emerged as the central concern, and the industry appears to be aligned on this front.

However, divergence persists in both diagnosis and direction. Some advocate a return to fundamentals, while others push for adaptation to new market realities. There is limited consensus, not only on the path forward but also on the underlying nature of the problem, which is shaped by a complex interplay of factors.

BOTTOM LINE: THE INDUSTRY STANDS AT A CROSSROADS, DELIBERATING THE PATH FORWARD TO RECLAIM THE MOMENTUM AND RESILIENCE OF EARLIER YEARS.

We are recalibrating our approach and systems to ready ourselves for the rebound.



Our stand. The choices we made

1 | ASSET QUALITY OVER AGGRESSIVE GROWTH

Growth is not our immediate priority. For Arman, asset quality is non-negotiable - it must remain pristine. Hence, our philosophy has always been flexible - to remain agile to seize opportunities as they arise, while also being prudent enough to step back when necessary.

2 | ADAPTING TO A NEW REALITY

While we remain hopeful for a revival of traditional rural borrowing norms, current indicators suggest that a full return is unlikely in the near term. The JLG culture has diluted compared to five or ten years ago. In response, our systems must evolve to reflect this new reality, adopting mechanisms that assess each customer on individual merit, grounded in a nuanced understanding of their unique circumstances.

We are working overtime to orchestrate the change with speed.

WE REDUCED OUR EXPOSURE IN THE MFI SPACE.

Recognising the shifting landscape, we proactively curtailed our exposure to the MFI segment. Disbursements were reduced from ₹1,895 crore in FY24 to ₹1,232 crore in FY25, while AUM declined by 23%, from ₹2,193 crore to ₹1,686 crore over the same period.

WE INCREASED THE PROVISIONING.

In line with our commitment to asset quality, we implemented a prudent and aggressive provisioning policy. Cumulative provisions for the year stood at ₹90.22 crore, covering 5.35% of consolidated AUM and 7.30% of on-book AUM. Of this, ₹90.22 crore was allocated specifically to the MFI portfolio. Due to provisioning, the Net Profit for Namra Finance decreased from ₹138.8 crore in FY24 to ₹7.8 crore in FY25. As of March 31, 2025, the capital adequacy ratio stood at a healthy 37.34% for our standalone (non-MFI) business and a strong 48.37% for Namra Finance, our MFI subsidiary.

WE REALIGNED OUR BUSINESS OPERATIONS TO SECTORAL REALITIES.

We undertook key strategic decisions aimed at ensuring long-term sustainability and growth of the business.

1) We have initiated a complete separation of credit and recovery functions from branch operations, establishing a robust and independent credit culture at the ground level. This move eliminates the long-standing conflict of interest between credit and sales that has persisted in microfinance since its inception. The new credit structure is currently operational in 140 of our 391 branches, with full implementation targeted by Q2 FY26.

2) Overdue collections have been established as a distinct vertical. By delineating sales from overdue recovery, we ensure that the field officer has adequate time available to form and service lending relationships.

3) Effective November 2024, all disbursements in the MFI segment are covered under the Credit Guarantee Fund for Micro Units (CGFMU) scheme. CGFMU is a government-managed trust fund (operated by the National Credit Guarantee Trustee Company, or NCGTC) that provides credit guarantee support to lending institutions like MFIs. Generally, up to 75% of the eligible micro-loan extended by us is guaranteed by CGFMU in the event of borrower default. As of March 2025, 34% of our MFI AUM is secured under this framework, with coverage expected to increase significantly on a quarter-on-quarter basis.

It's an all-hands-on-deck effort across the organisation to uphold portfolio integrity and drive sustainable growth.

Old Roots. New Routes.

1) OUR NEW CREDIT FUNCTION

To eliminate conflicts of interest between loan disbursal and credit evaluation, we have fully decoupled these functions at the national level.

Structure: We have introduced a new governance structure, Branch Credit Managers (BCMs), who are solely responsible for loan approvals and rejections. To strengthen oversight, we have appointed a dedicated Credit Head to lead the function.

Operating model: BCMs now conduct comprehensive, customer-level assessments, including mandatory house visits, form completion, scoring and contextual discussions. Our credit framework is further customised across states to reflect local nuances, enabling us to evaluate model effectiveness and scalability.

Assessment: A key improvement in our process is the careful estimation of household income, which forms the backbone of our credit decisions. We utilise a combination of external credit bureau data, our proprietary scoring system, and other available information, such as bank statements, to create a comprehensive financial picture. Credit Officers enter detailed customer and household data, which is then scored to assess overall debt levels and creditworthiness.

Since MFI customers often lack formal financial records, there's no one-size-fits-all method. Evaluating their credit potential requires a blend of both analytical rigour and intuitive judgment, a combination of science and art. It's a learning journey for both the Company and our BCMs.

Outcome: Initial results have been highly encouraging. In Q4, over 75% of disbursements within the MFI portfolio were made to customers with credit scores above 700, and another 10-15% new-to-credit, an indicator of strong credit quality and alignment with our target customer profile. Rejection rates, on the other hand, have inched to 80%, which remains a challenge for the company and aims to reduce to 70% in the coming quarters.

2) OUR NEW COLLECTION FUNCTION

To strengthen collection efficiency amid rising rural over indebtedness, we have realigned our collection strategy and introduced an additional layer of specialisation.

Field Officers continue to manage routine collections and early-stage delinquencies, preserving customer relationships and upholding the principles of the JLG model. To address higher delinquency buckets, we have deployed dedicated Recovery Officers at each branch, specialists focused on targeted interventions and resolution.

This structural shift is yielding results. The continuous decline in the repayment rates has stopped.

For the MFI portfolio, zero-bucket collection efficiency (the first indicator of trouble brewing in the collection area) stood at approximately 98.5% in Q4. It improved to 98.8% in March 2025 (from a low of 97.3% in November 2024). While still below our expectations, it does represent a meaningful improvement over Q3 FY25.

3) OUR NEW PRODUCT – UNDER DISCUSSION

We launched an individual MFI loan product pilot in early FY26, in addition to the Micro-LAP product, which was introduced in Q3 of FY25.

What we are starting with is only the beginning of the rebuilding process, which will progressively reshape the operational and performance dynamics at Arman Finance.

Resilience is our foundation.

Reinvention is our strategy.

Recovery will be our outcome.

MESSAGE FROM THE VICE-CHAIRMAN

> We must remain agile, alert and aligned, ready to recalibrate our operating model to seize emerging opportunities. By doing so, we won't merely participate in the future; we will help define it in ways that are meaningful and enduring.

Dear Shareholders,

It is a pleasure to present our Annual Report, which enables me to communicate with you on our current status and future direction.

Rather than dwell on the challenges of the past year, which have been reported and discussed ad infinitum, I choose to focus on what lies ahead. In a rapidly evolving business landscape, our future outlook holds greater relevance for stakeholders. The coming years will demand agility, foresight, and strategic clarity; it is with this mindset that we chart our path forward.

THE MFI SPACE

After 15 years of navigating uncertainty, I've learned that predicting the future is a humbling pursuit. What I do know is shaped by experience, not foresight, and that's precisely what stakeholders seek: a window into the optimism or caution that informs our direction.

The future remains unwritten, shaped by countless interwoven, unpredictable forces. Despite our best efforts, we've not foreseen any major microfinance crises, and events like COVID-19 have only underscored the limits of long-range forecasting, especially during credit downcycles like last year's. What we can predict with certainty is change. Challenges will spark innovation, unlock opportunity and renew progress, continuing the cycle that defines our journey.

In unsecured retail finance, certainty is a luxury we don't have. We must be prepared for everything and nothing at the same time. Agility is key: to seize opportunities when they arise and to pause when prudence demands.

Decisions must be grounded in evidence and logic, rather than emotion. While I'd welcome a return to the microfinance customer culture of a decade ago and many in the industry believe it's achievable with the right interventions, data suggests otherwise.

To put it simply: I do not know what the industry will look like five years from now. What's clear is that there is both a need and demand for rural lending products. In the absence of a robust JLG culture, the model will eventually shift toward more rigorous individual credit assessments. Industry AUM growth will likely moderate as risk management takes precedence over expansion.

Non-MFIs, fintechs and large institutions may reassess their rural unsecured lending strategies, questioning whether their models and focus lie in this niche segment.

As long as there is demand, and few would argue otherwise, microfinance will continue to evolve. What matters is our ability to adapt faster than the environment around us. By building resilient institutions grounded in data, flexible in execution and clear in purpose, we position ourselves not just to endure the future but to shape it.

THE MSME FUNDING SPACE

India's MSME sector continues to face a chronic financing gap, with credit penetration at just 14%, far behind global peers. As of March 31, 2025, the 6.19 crore MSMEs registered under the Udyam portal comprise over 99% micro enterprises.

While MSME funding crossed ₹40 trillion in FY25 and asset quality remained stable, the growth trajectory could mature to a more sustainable number over the coming years. As more players enter the space, competitive intensity may compress yields. Yet, with India's economic rise and increasing tech adoption, the relevance and funding needs of MSMEs will only grow. Newer operating models are emerging and will continue to surface to meet the niche requirements of the MSME space. At Arman, we remain vigilant in adapting to the rapidly changing dynamics of this space to capture emerging opportunities.

BETTING ON INDIA

I am an incurable optimist. My optimism is founded on my belief in our ability to create a better future.

This is why I firmly believe that India has become one of the greatest countries in which to be an entrepreneur. The India in which we live today is a land of opportunities with a blossoming entrepreneurial spirit. Every day is the beginning of something new, innovative and transformative.

At Arman, we see this as a call to action. We must remain agile, alert and aligned, ready to recalibrate our operating model to seize emerging opportunities. By doing so, we won't merely participate in the future; we will help define it in ways that are meaningful and enduring.

IN CLOSING

Strategic decisions, disciplined execution and an unwavering commitment to rural entrepreneurship define our journey toward sustainable growth. Despite macroeconomic headwinds, our focus on resilience and long-term value creation remains resolute. As we look ahead, we are committed to building a sustainable and inclusive future for all stakeholders. Your continued trust and support fuel our progress, and we look forward to reaching new milestones together.

Warm regards

Jayendra Patel

Vice-Chairman & Managing Director

About Arman Financial Services Limited.

We are a diversified NBFC focusing on large, underserved rural & semi-urban retail markets. Founded by Mr. Jayendra Patel in 1992, we fund the entrepreneurial dreams of individuals and enterprises. Headquartered in Ahmedabad, the Company has a presence across 11 contiguous states.

The Company's strong Management Team has a combined experience of 100+ years in the Lending Business. We are listed on the BSE (since 1995) and the NSE (since 2016).

~7.2Lakh Live customers	4,600+ Team size	+ALM Comfortable Liquidity position
₹1,713cr Disbursement in FY25	₹2,245cr Assets Under Management as on March 31, 2025	₹874cr Shareholders' Fund as on March 31, 2025
₹730cr Income from Operations in FY25	₹52.1 cr Profit after Tax in FY25	₹403.5cr Cash and Bank Balances as on March 31, 2025
15.40% Net Interest Margin	3.40% Gross NPA (% of advances)	1.3x Debt-Equity ratio as on March 31, 2025

MICROFINANCE – JLG	MSME LOANS	TWO-WHEELER LOANS	LOAN AGAINST PROPERTY (LAP)
Funding entrepreneurial dreams of rural women	Empowering small businesses, the backbone of our rural economy.	Opening pathways to mobility.	Providing funds against assets
Average Ticket Size : INR 48,000 (Cycle 1 & 2 -INR 25k - 60k) (Cycle 3+ -INR 25k –75k)	Average Ticket Size: INR 74,000	Average Ticket Size: INR 75,000	Average Ticket Size: INR 4,35,000
Tenure: 18-24 Months	Tenure: 24 Months	Tenure: 12-36 Months	Tenure: 36-84 Months
74.50%	20.20%	3.50%	1.20%
Of AUM	Of AUM	Of AUM	Of AUM

VISION

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

VALUES

To help those who are at the bottom of the financial pyramid.

- Work innovatively with vigour and dedication to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- Earn the trust and confidence of all stakeholders, surpass their expectations and make the Company a respected household name.
- Consistently achieve high growth and superior levels of productivity.
- Be a technology-driven, efficient and financially sound organisation.
- Contribute towards community development and nation-building.
- To be a responsible corporate citizen, nurturing human values and concern for society, the environment and, above all, the people.
- Promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals by encouraging ideas, talent and value systems.
- Uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

COMPETITIVE MOAT

Focus on small-ticket retail loans to the large, underserved informal segment of customers in rural & semi-urban geographies.

Diversifying products, geographies, sources of funds and delivering growth by increasing volumes rather than ticket sizes.

Conservative operations framework with a sharp focus on risk & asset quality.

Completely in-house operations with bottom-up driven credit appraisal models and rigorous collections practices tailored for the areas of operations.

Consistent rating upgrades backed by strong financial & operating performance

Business model centred around a conservative approach to high-yielding assets, delivering a sustainable ROA of 4-5%.

Historical growth

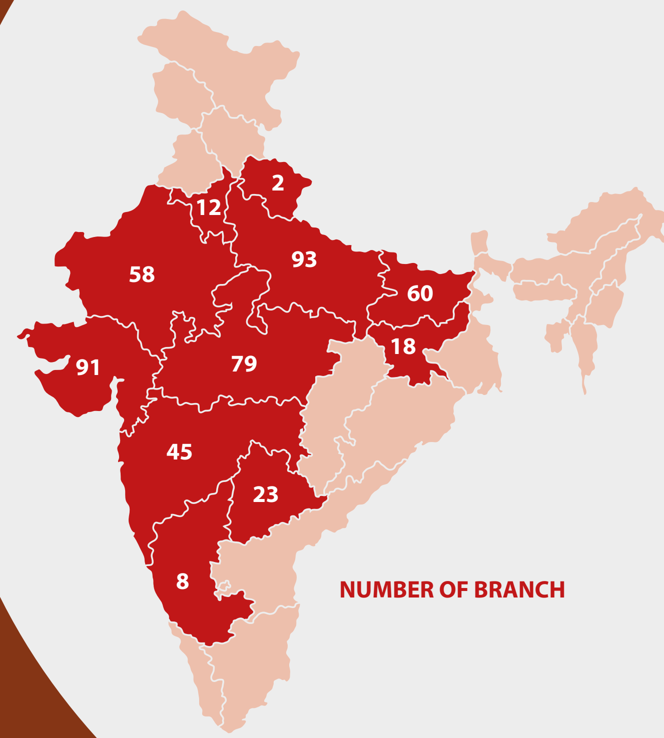
~33%
AUM growth
(FY16-25 CAGR)

~39%
Net Interest Income
(FY16-25 CAGR)

~23%
Profit after Tax
(FY16-25 CAGR)

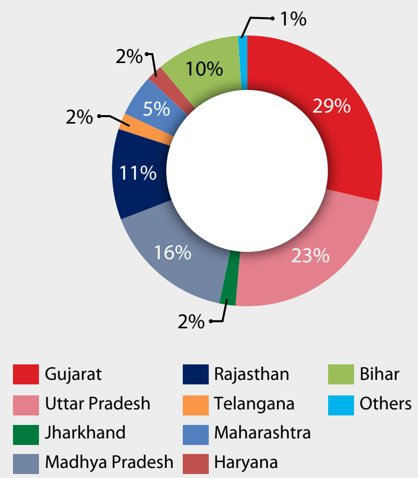
OUR PRESENCE

Arman maintains a robust geographical footprint across India, with consolidated operations spanning the western, northern, eastern and central regions. Building on this strong foundation, we have successfully entered the southern market and continue to deepen our presence, driving sustainable growth and regional diversification.



NUMBER OF BRANCH

Geographical AUM Mix (Consolidated)



A Solid and Liquid Organisation

Arman Finance's robust fundraising track record has ensured ample liquidity, providing a resilient foundation for sustained growth. This financial strength positions the company to capitalise on emerging opportunities while maintaining strategic flexibility and long-term operational stability.

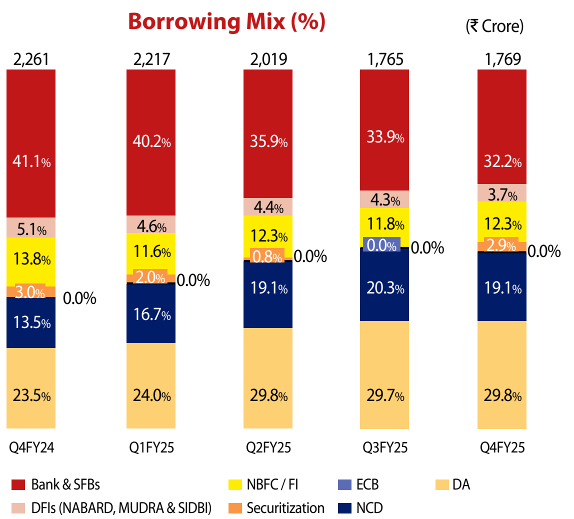
I) Enviable borrowing prowess

BANK BORROWINGS

NON-BANK BORROWINGS

SECURITIZATION PARTNERS

NCDs & ECB



Credit Rating	ACUITE	CARE
Long Term Bank Facilities	Upgraded to ACUITE A Negative Outlook	-
Non-Convertible Debentures		CARE A- | Stable Outlook
Namra Finance Limited is assigned 'MFI-1' (MFI One) grading by CARE Advisory Research & Training Limited.		

2) Established Track Record of Capital Raising

2018 INVESTMENT BY ELEVATION CAPITAL

In 2018, raised ₹50 crore by issuing compulsorily convertible debentures (CCDs) to Elevation Capital (Ernstwhile SAIF Partners), a leading private equity firm

2022: INR 115 CRORE RAISED VIA PREFERENTIAL ALLOTMENT

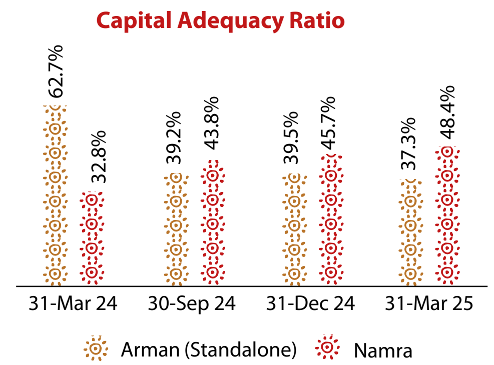
In September 2022, raised INR 115 crore through a preferential allotment of securities to non-promoter investors.

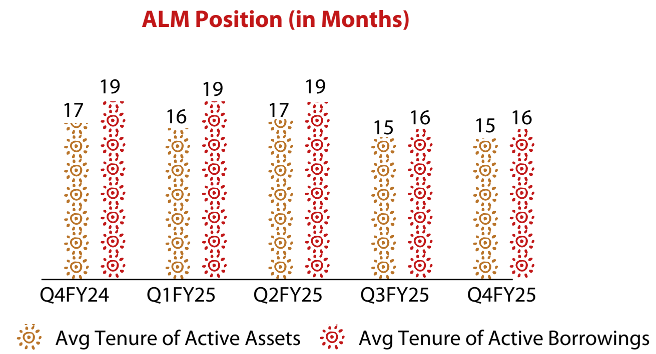
- 6,24,388 Unsecured Compulsorily Convertible Debentures (CCDs) at ₹1,230 each, aggregating to ₹76.80 crore.
- 3,10,972 Optionally Convertible Redeemable Preference Shares (OCRPS) at ₹1,230 each, totalling ₹38.25 crore.

2023: INR 230 CRORE RAISED VIA QUALIFIED INSTITUTIONAL PLACEMENT (QIP)

In December 2023, raised INR 230 crore through a Qualified Institutional Placement (QIP). The company allotted 10,47,835 equity shares at an issue price of ₹2,195 per share to qualified institutional buyers.

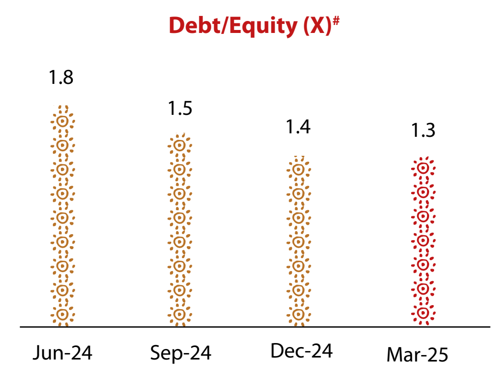
3) Strong capitalisation....





4) ... with considerable runway for growth.

LOW-LEVERAGED POSITION



#After adjusting overdrafts (OD) from banks having 100% security against fixed deposits amounts to INR 57.1 Crore.

SUFFICIENT LIQUIDITY

Healthy Liquidity position with INR 268.64 Crore in cash/bank balance, liquid investments and undrawn CC limits.

The Company has INR 212.41 Crore undrawn sanctions from existing lenders.

CONVERSATION WITH JOINT MANAGING DIRECTOR

> "While I remain confident in the long-term potential of the microfinance sector, short- to medium-term growth is unlikely to normalise until the industry undergoes meaningful deleveraging and adapts to the evolving dynamics of rural markets."

Q1 ARMAN'S PERFORMANCE IN FY25 WAS A FAR CRY FROM THE HISTORICAL PERFORMANCE. YOUR THOUGHTS ON THE SAME.

Yes, I acknowledge this. Arman is no stranger to credit cycles. Over the last 30 years, we have successfully navigated several downcycles: the NBFC scams and failures of the late 1990s, the retail/personal loan stress of the mid-2000s, the global financial crisis of 2008–09, the Andhra Pradesh MFI crisis of 2010–12, demonetization in 2016–17, the IL&FS and DHFL liquidity shock in 2018–19, and the COVID crisis of 2020–22. FY25 & 26 will likely be remembered as another such challenging period.

Both the industry and the company faced significant headwinds over the past year, and we have been taking multiple initiatives to navigate these challenges. Importantly, we remain very well-capitalised compared to most of our peers, which provides a strong foundation for resilience. Despite sectoral pressures, our operating performance remained healthy. Gross total income rose 10% year-on-year to ₹730 crore, while net total income increased 24% to ₹491 crore. Pre-provision operating profit (PPOP) grew 14% to ₹333 crore.

The decline in our bottom line was entirely driven by elevated provisioning, necessitated by the extraordinary stress in the microfinance sector, which is our core business vertical. Even so, Arman ended the year with a Profit After Tax (PAT) of ₹52 crore, underscoring our ability to remain profitable under extremely adverse conditions.

Q2 COULD YOU EXPLAIN WHAT HAS GONE SO WRONG IN THE MFI SECTOR AND HOW THAT HAS IMPACTED NAMRA'S PERFORMANCE?

The challenges in the MFI sector have been largely structural in nature. First, excess capital has chased a relatively saturated borrower base, leading to overleveraging. Second, customer income growth has been weak, impairing repayment capacity. Third, the traditional JLG culture has steadily diluted over the past five years.

The post-COVID rural recovery, combined with deregulation in April 2022, created another gold rush in microfinance. While Arman benefitted from this with record growth and profits in FY23 and FY24, the regulatory shift had unintended consequences. The earlier cap on borrower indebtedness was replaced with a 50% FOIR rule, but in practice, assessing household income proved difficult given the structure of MFI operations and the lack of data for rural customers. At the same time, rural customers gained much easier access to non-MFI credit, personal, MSME, LAP, fintech, and vehicle loans, which further eroded the discipline of the JLG model.

As a result, asset impairment costs surged across the industry, weighing on profitability. For Namra, disbursements were scaled back from ₹1,895 crore in FY24 to ₹1,232 crore in FY25. Despite a modest 4% increase in Total Income, Net Profit fell from ₹138 crore to ₹8 crore. We also adopted a conservative stance on provisioning, with cumulative provisions of ₹90.22 crore, covering 5.35% of consolidated AUM and 7.30% of on-book AUM.

Q3 FROM WHAT YOU SAY, THE PAINS OF THE MFI INDUSTRY ARE NOT GOING TO DISSIPATE ANYTIME SOON. SO, HOW DO YOU PLAN TO NAVIGATE THROUGH THESE CHALLENGING TIMES?

While I remain confident in the long-term potential of the microfinance sector, short- to medium-term growth is unlikely to normalise until the industry undergoes meaningful deleveraging and adapts to the evolving dynamics of rural markets.

In times of uncertainty, be it demonetization, COVID-19, or other disruptions, we have consistently prioritised asset quality over growth. True to that philosophy, we have adopted a cautious stance once again. That said, we anticipate early signs of recovery by the end of the current fiscal year.

Importantly, we have instituted structural changes in our operating model to safeguard asset quality amid prevailing headwinds. This includes measures such as separating credit and collections from branch operations and the introduction of new products. These details, as well as other measures, have been mentioned earlier, and I will refrain from repeating them here.

Q4 THESE CHANGES WILL ESCALATE THE COST OF OPERATIONS. IS IT WORTH IT IN THE CURRENT ENVIRONMENT?

Our team has expanded significantly with the addition of dedicated credit and collections units, resulting in a corresponding increase in operational expenses. While this has elevated our cost base, it is a strategic choice aimed at mitigating credit risk. Given the trade-off, we are decidedly more comfortable incurring higher operational costs than facing elevated credit losses. Once the cycle improves, these costs will naturally decrease as efficiency increases and AUM begins to grow again.

Q5 WHEN DOES THIS ADDITIONAL WORKFORCE START DELIVERING?

The benefits of our structural and operational changes are beginning to be reflected in our financial performance, although the impact remains modest at this stage. We expect the full potential of these initiatives to materialise as the MFI business environment stabilises and becomes more conducive to growth. As volumes scale, cost-to-income ratios are projected to revert closer to historical norms, enhancing overall efficiency.

Q6 WHAT FACTORS GIVE YOU THE CONFIDENCE THAT THE NEW MODEL WILL WORK FOR YOU?

Our confidence in the model stems from a clear operational distinction. Across our portfolio, serving MSME customers who are similar to those in the MFI segment, albeit slightly higher on the pyramid, we observe some stress, which is expected. However, it's significantly lower than what we see in the MFI book. A key differentiator is our structural approach in the MSME segment, which involves a complete separation of credit and sales functions. This has introduced greater discipline and risk control, reinforcing our belief in the model's resilience.

Q7 ACCORDING TO YOUR ASSESSMENT, WHEN DO YOU EXPECT THE MFI SECTOR TO REBOUND?

Two encouraging developments are shaping the sector's recovery. First, there is a consensus within the industry that deleveraging is important. Second, there is a clear shift in focus from aggressive growth to asset quality. These foundational shifts have begun to positively influence the sector, as evidenced by a moderation in overall AUM. That said, the recovery has yet to reach a level that inspires full confidence. We believe we are not far from that inflection point and intend to reassess the situation comprehensively over the next couple of quarters. Disbursements made post-Q3 FY25, after the company implemented stricter credit norms, are of very high quality, with early delinquency being very low.

Q8 YOU HAVE OPTED FOR THE CREDIT GUARANTEE OFFERED BY THE GOVERNMENT. IT IS ADDING TO YOUR OPERATIONAL COSTS. ARE YOU LOOKING AT GIVING UP THAT COVER ANYTIME SOON?

As of March, 34% of the portfolio is covered under the Government of India's credit guarantee scheme via NCGT, with coverage expected to increase. The scheme provides a 75% guarantee on defaults through CGFMU, offering meaningful risk mitigation for this borrower segment. While we intend to leverage this coverage in the current environment, we remain open to discontinuing it once market conditions stabilise. The key consideration is whether the premiums paid outweigh the claims received. If claims fall short of premiums, that would be a welcome outcome, indicating a strong portfolio. However, given the ongoing market stress and broader deleveraging trend, the question of whether claims exceed premiums is irrelevant, as there is too much uncertainty in the sector today, and protection against this uncertainty reinforces the strategic value of this protection.

Q9 YOUR OTHER VERTICALS ACCOUNT FOR ABOUT 25% OF YOUR PORTFOLIO. HOW DID THEY PERFORM?

The standalone segments, MSME, micro-LAP and 2-Wheeler financing, continue to demonstrate strong performance and resilience.

As of March 31, 2025, standalone AUM stood at ₹560 crore, representing a 25% year-over-year growth. FY25 disbursements totalled ₹481 crore, representing a 20% increase over FY24. Asset quality remains healthy, with a gross NPA ratio of 3.38%. MSME portfolio zero-DPD collection efficiency was 99.5% for March and consistently above 99% for the year. This business benefits from a diversified customer base and lower delinquency levels.

Focused execution and prudent credit policies in this segment have helped us to offset some of the pressures seen in the microfinance vertical. While the near-term economic outlook remains cautious, our strategy remains clear: stabilise the portfolio, drive operational efficiency and further strengthen asset quality. The last one, of course, being the most important.

Q10 WHAT IS YOUR MESSAGE TO SHAREHOLDERS?

Entering a new fiscal year fills us with optimism. Our resilient foundation, characterised by a deep commitment to asset quality, positions us well to capitalise on upcoming opportunities. We are committed to driving sustainable growth, delivering exceptional value and shaping a brighter future. We are well-positioned to gain market share as soon as the market conditions improve.

FY25: Navigating a Volatile Business Environment

Q1 FY25
(APRIL – JUNE 2024)

21%	(13)%	23%	(23)%
Growth in AUM Y-o-Y Change	Total Disbursement Y-o-Y Change	Gross Total Income Y-o-Y Change	Profit after Tax Y-o-Y Change

Management Q1 Commentary: We demonstrated operational resilience, reflected in AUM and Gross Total Income growth. A calibrated response to rural uncertainties led to lower disbursements, while elevated credit costs impacted Profit After Tax. Despite near-term headwinds, we remain confident in our customer base and strong capital position. Our prudent strategy and strengthened risk framework continue to support the quality of our portfolio and long-term growth.

Q2 FY25
(JULY – SEPTEMBER 2024)

7%	(31)%	13%	(63)%
Growth in AUM Y-o-Y Change	Total Disbursement Y-o-Y Change	Gross Total Income Y-o-Y Change	Profit after Tax Y-o-Y Change

Management Q2 Commentary: We focused on strengthening credit quality amid ongoing rural challenges. Our cautious, selective approach led to a decline in key metrics, consistent with our strategy to prioritise asset quality over growth. To reinforce discipline, we established independent credit teams, adopted MFIN guardrails, tightened underwriting standards and expanded collections to enhance engagement and repayment rates. We also introduced branch-level credit units to ensure independence from sales and marketing.

Q1 FY25
(APRIL – JUNE 2024)

(6)%	(40)%	(2)%	(117)%
Growth in AUM Y-o-Y Change	Total Disbursement Y-o-Y Change	Gross Total Income Y-o-Y Change	Profit after Tax Y-o-Y Change

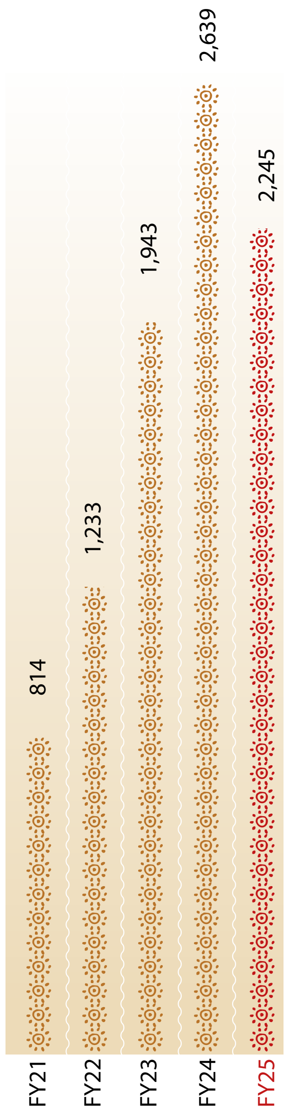
Management Q3 Commentary: We strengthened our credit framework by tightening underwriting and expanding collections to enhance engagement and recovery. Our focus on asset quality over expansion is reflected in this quarter's performance. The sharp decline in Profit After Tax was due to elevated credit costs and conservative provisioning to protect portfolio health. These structural shifts aim to preserve asset quality and support sustainable recovery during consolidation.

Q2 FY25
(JULY – SEPTEMBER 2024)

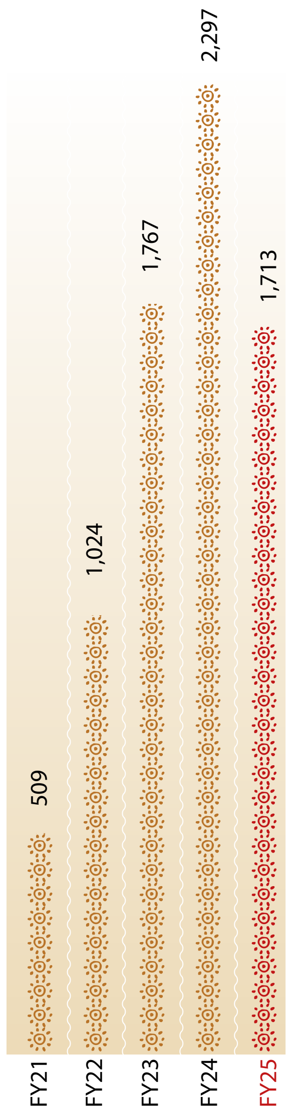
(15)%	(19)%	9%	(75)%
Growth in AUM Y-o-Y Change	Total Disbursement Y-o-Y Change	Gross Total Income Y-o-Y Change	Profit after Tax Y-o-Y Change

Management Q4 Commentary: Our performance reflected a balanced approach to growth and caution. AUM and Gross Total Income increased, underscoring the strength of our core operations. Disbursements declined as we pursued selective growth amid ongoing rural stress. Profit After Tax fell, driven by elevated provisioning and write-offs, part of our conservative stance. We proactively addressed stress pockets through accelerated write-offs, reinforcing our commitment to prudent risk management.

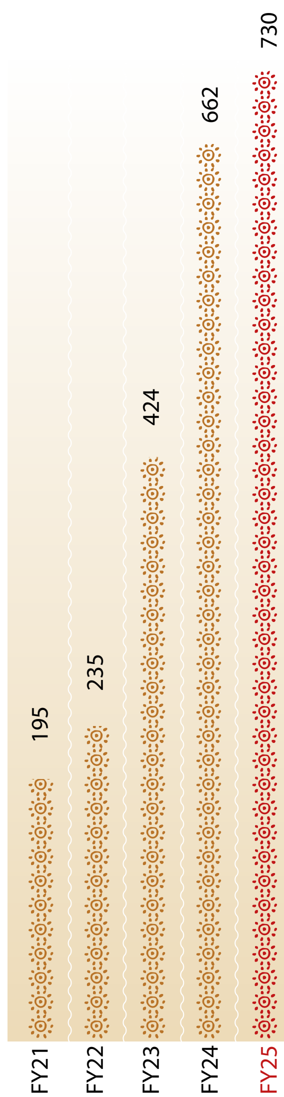
Key Performance Indicators



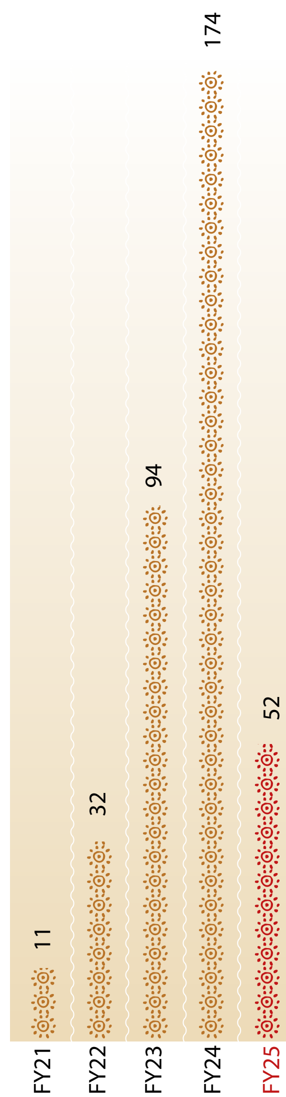
ASSETS UNDER MANAGEMENT
(₹ Crore)



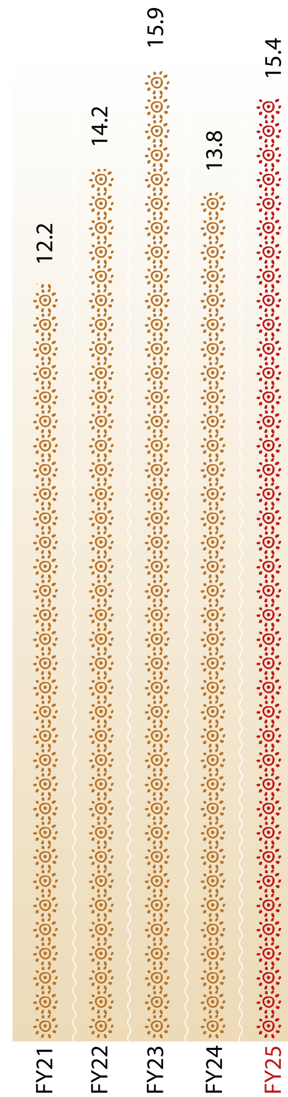
DISBURSEMENT
(₹ Crore)



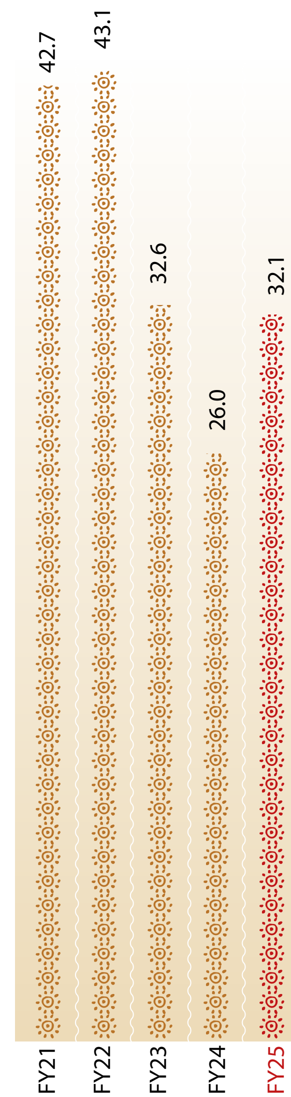
GROSS TOTAL INCOME
(₹ Crore)



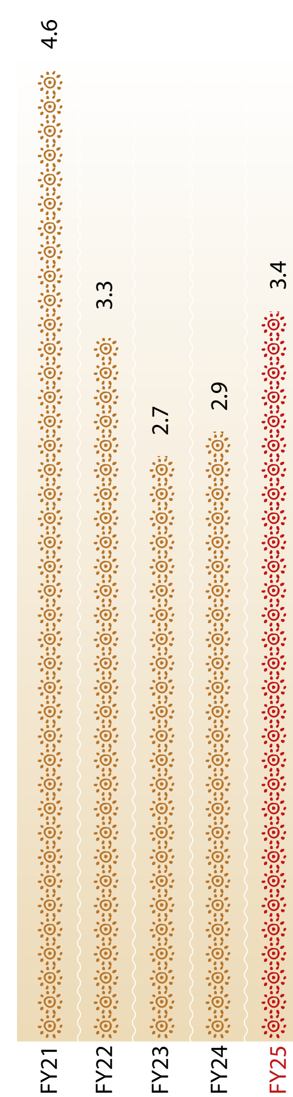
PROFIT AFTER TAX
(₹ Crore)



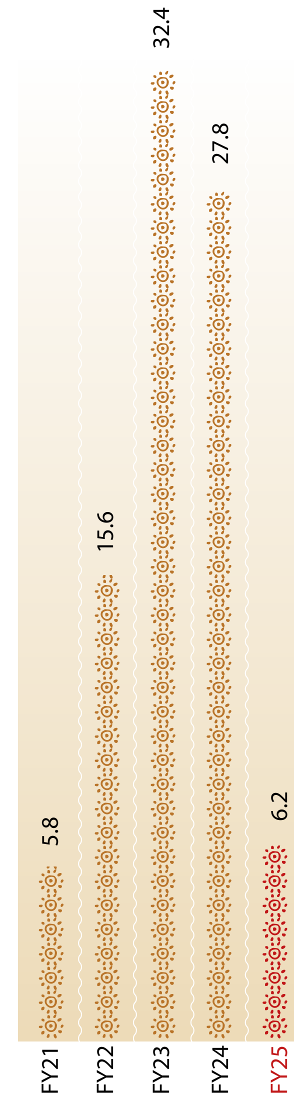
NET INTEREST MARGIN
(%)



COST TO INCOME RATIOS
(%)



GROSS NPA
(% of Advances)



RETURN ON AVERAGE EQUITY
(%)

Board of Directors

Alok N. Prasad
Chairman

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

Jayendrabhai B. Patel
Vice Chairman & Managing Director

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

Aalok J. Patel
Joint Managing Director

- He has 20 years of experience in banking and finance, including 15 years at Arman. Prior to joining Arman, he worked as an independent auditor at KPMG in the US.
- He is a licensed Certified Public Accountant (CPA) from the USA. He also has served as a visiting professor at the HL College of Commerce and is a guest lecturer at IIM-A.
- He holds a Bachelor's in Accounting & Finance and a Master's in Accountancy from Drake University, USA.

Yash K. Shah
Independent Director

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

Ritaben J. Patel
Non-Executive Director

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

Aakash J. Patel
Non-Executive Director

- He has over 18 years of experience in Information Technology, Computer Science and business. Currently, he works as a Manager-PMO for Bullhorn Inc.
- Before that, he held various roles, including IT Consulting with Deloitte, software developer at Intellitools and positions at other companies such as Hewlett-Packard, EMC Corporation, Softscape Inc. and Sumtotals Systems.
- He holds an MBA from Bentley College, USA.

Pinakin S. Shah
Independent Director

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

Geeta H. Solanki
Independent Director

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

Management Discussion and Analysis

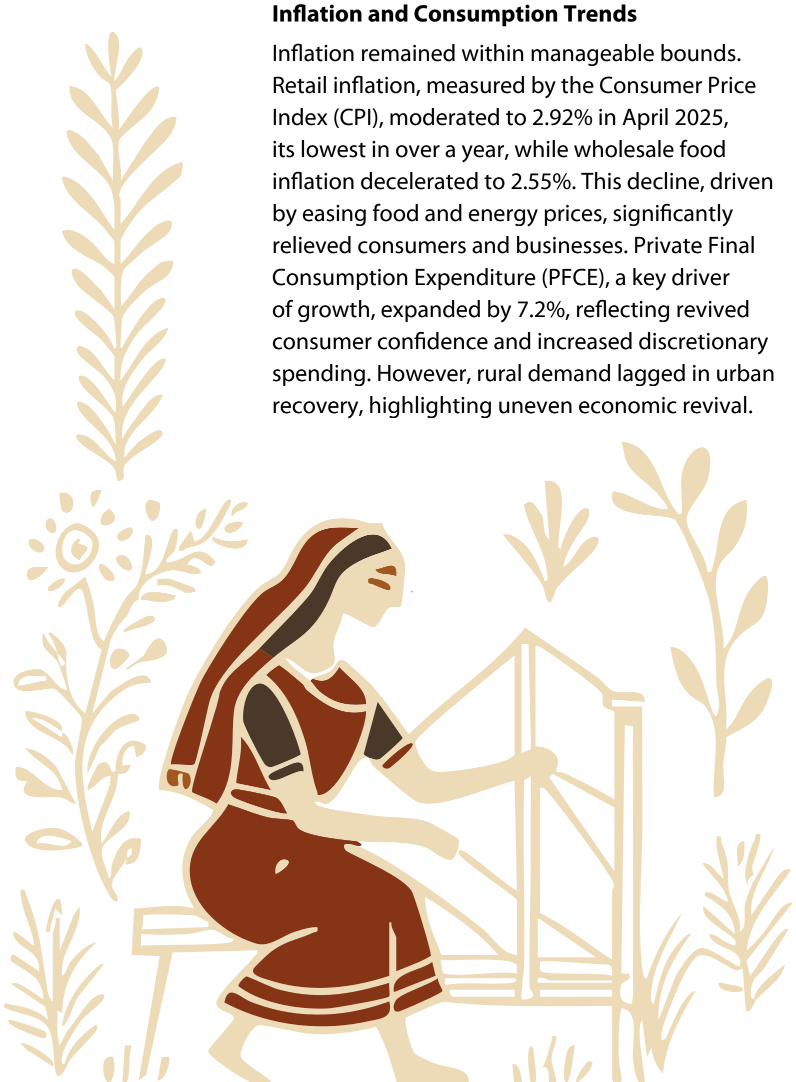
Indian Economy

Amid evolving global headwinds, India sustained its position as one of the world's fastest-growing major economies. The Indian economy demonstrated commendable resilience and steady momentum throughout the financial year 2024–25, underpinned by prudent fiscal management, a calibrated monetary policy continuity of structural reforms.

Real GDP is estimated to have expanded by 6.5% during FY 2024–25, with nominal GDP growth pegged at 9.9%, as per the Ministry of Statistics and Programme Implementation. This expansion was broad-based, supported by robust domestic consumption, infrastructure-led public investment a recovering services sector.

Inflation and Consumption Trends

Inflation remained within manageable bounds. Retail inflation, measured by the Consumer Price Index (CPI), moderated to 2.92% in April 2025, its lowest in over a year, while wholesale food inflation decelerated to 2.55%. This decline, driven by easing food and energy prices, significantly relieved consumers and businesses. Private Final Consumption Expenditure (PFCE), a key driver of growth, expanded by 7.2%, reflecting revived consumer confidence and increased discretionary spending. However, rural demand lagged in urban recovery, highlighting uneven economic revival.



Rate Cuts

The Reserve Bank of India continued its measured approach toward supporting growth. In April 2025, it reduced the benchmark repo rate by 25 basis points to 6.00%, marking the second such cut in the calendar year. This move will lower borrowing costs and stimulate credit growth across sectors.

Currency and Capital Flows

The Indian rupee experienced volatility, depreciating by 2.4% in FY25, with a sharp 4% decline following the U.S. elections due to a stronger dollar and persistent foreign portfolio investor (FPI) outflows from equity markets. Yet, the rupee's performance was relatively stable compared to other global currencies. A late-year rally, supported by FPI debt inflows and a softening dollar, saw it recover 2.4% in a single month.

Financial Market Stability

The financial system remained stable and sufficiently liquid. Notably, Non-Banking Financial Companies (NBFCs) tapped into overseas funding aggressively, accounting for 43% of total External Commercial Borrowings (ECBs) in FY25, a significant increase from historical levels. This suggests improved investor confidence and increased access to capital.

Outlook

India's economy in FY26 is poised for stable growth, sustaining high momentum driven by stable government policies and reforms. Despite geopolitical tensions, India's diversified trade and resilient domestic demand ensure stability. Infrastructure investments, digital transformation renewable energy initiatives will fuel consumption and industrial growth. With declining inflation and strategic trade partnerships, India is poised to strengthen its global economic position, leveraging its youthful workforce and policy continuity to achieve sustained prosperity.

Rural India – the Backbone of Economic Development

India lives in its villages; this Gandhian belief continues to resonate, as over 65% of India's population is located in rural areas (Census 2011, projected 2024 estimates). A robust rural economy is not only crucial for equitable development but also vital for national stability, food security long-term economic sustainability.

Despite the rapid urbanisation and technological advancement, rural India remains confronted with challenges such as poverty, underemployment, low productivity migration. The development of the rural economy transcends mere economic objectives, it constitutes a social, cultural political necessity for India.

Performance in FY25

During FY25, India witnessed a dynamic economic landscape, with rural regions demonstrating notable resilience. This strength was underpinned by a robust agricultural sector, rising rural consumption proactive government initiatives.

In the first half of the fiscal year, the rural economy encountered several challenges. Erratic monsoons, elevated food and fuel inflation limited non-farm employment opportunities weighed on income levels and dampened consumption capacity.

However, the second half of FY25 signalled a turnaround. Improved agricultural output, favourable rainfall enhanced rural liquidity catalysed a revival in economic activity. This rebound was evident in the rising demand for two-wheelers, increased investment in rural housing improved credit flow from financial institutions.

The fast-moving consumer goods (FMCG) sector reflected these shifts. While rural consumption remained cautious early in the year, it gained strong momentum in Q3 2025, eventually outpacing urban consumption. As FMCG volume grew 5.7% nationally, rural demand led the surge with a 6.0% growth in the third quarter.

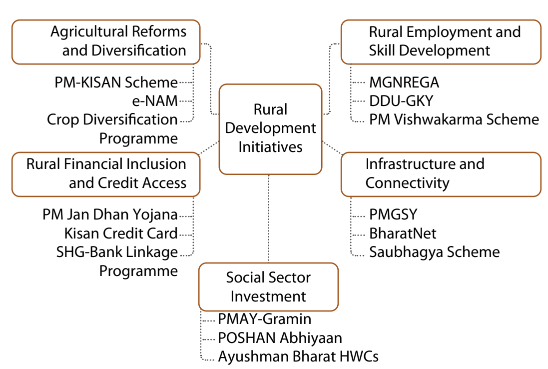
The food segment posted solid gains, whereas home and personal care products experienced comparatively muted growth. This divergence highlighted an uptick in purchasing power and growing consumer confidence across rural markets.

In 2023-24, the average monthly per capita expenditure (MPCE) stood at ₹4,122 in rural India and ₹6,996 in urban areas. Notably, the urban–rural gap in MPCE has narrowed significantly from 84% in 2011–12 to 71% in 2022–23 further to 70% in 2023–24.

The narrowing gap in monthly per capita expenditure between rural and urban India signifies a positive shift towards greater economic inclusivity. As rural consumption rises, it leads to stronger demand for goods and services, encouraging businesses to expand their presence in rural markets. This can create employment opportunities, stimulate local economies attract investment in infrastructure.

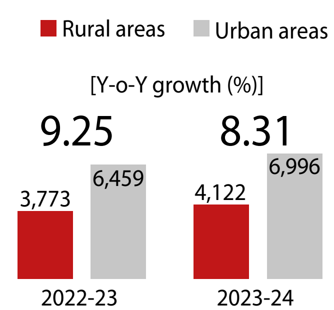
Higher rural spending also enhances the viability of financial services, such as microfinance and insurance, driving deeper financial inclusion. However, due to expenses rising faster than income in some regions, a subdued demand for microfinance was observed, as rural households prioritised essential consumption over borrowing.

Key Pillars For Rural Economic Development

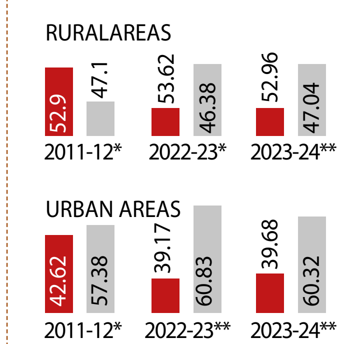


CONSUMPTION PATTERN

Monthly per capita expenditure without imputation (in ₹)



Expenditure share (in %)



*NSS (68th round) **HCES

Livelihood for Women in Rural India

Rural women in India constitute a vital component of the nation's socio-economic framework, making significant contributions to agriculture, informal labour household-based enterprises. Despite their involvement, many remain underemployed or unpaid due to limited access to formal employment opportunities. Persistent structural challenges, including entrenched gender norms, inadequate education, insufficient infrastructure constrained mobility, continue to hinder their economic engagement.

The labour force participation rate among rural women in India has shown variable trends, largely influenced by macroeconomic shifts, agricultural cycles evolving public policy. Although many women actively participate in farm and household-based activities, their contributions are frequently underreported in national statistics, primarily due to the informal and unrecognised nature of their work.

To address these challenges, government and civil society interventions have focused on enhancing employability and entrepreneurship through initiatives such as the National Rural Livelihoods Mission (NRLM), the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) various women-centric capacity-building programs. These efforts aim to broaden access to skill development, credit facilities income-generating opportunities.

Enabling rural women to participate more fully in the workforce not only strengthens their agency but also serves as a catalyst for poverty alleviation, improved household welfare holistic rural development. Notably, the increased integration of rural women into the workforce has significantly driven the overall rise in female labour force participation across India.

According to the Economic Survey 2024–25, the Female Labour Force Participation Rate (FLFPR) has shown a steady and significant rise over the past seven years, increasing from 23.3% in 2017–18 to 41.7% in 2023–24.

Non-Banking Financial Companies (NBFCs) and Microfinance Institutions (MFIs) have emerged as key players in bridging the employment gap for rural Indian women, facilitating financial inclusion, economic empowerment social upliftment for millions of rural women.

However, sustainable and inclusive employment for rural women requires continuous efforts towards education, digital inclusion social security.

As of March 2025, the microfinance sector has reached a total loan portfolio of ₹3.81 lakh crore. Indian women from semi-urban and rural areas now account for 60% of the country's total female borrowers, underscoring the expanding reach of formal credit beyond metro cities. This underscores the vital role of microfinance in promoting financial inclusion and enabling rural women to participate in the economic mainstream.

GENDER DISPARITY

The India Rural Youth Employment Report 2024 highlights significant gender disparities in workforce participation among rural youth. While over 50% of young men aged 18-25 are currently employed, only 25% of their female counterparts have paid jobs. This trend extends to older age groups, with 85% of men aged 26-35 in employment compared to just 40% of women in the same age bracket.

Microfinance – Reaching Financial Support

India's microfinance sector has undergone significant evolution from its humble beginnings, offering small-ticket loans to underserved individuals. Today, it is crucial in promoting financial inclusion, particularly in rural and semi-urban regions. The sector has transformed into a more comprehensive micro-banking ecosystem, offering a broad suite of financial products tailored to meet the diverse needs of its expanding customer base.

Banks and microfinance institutions have diversified their offerings, addressing the full spectrum of financial needs, from savings and insurance to credit and remittances. However, despite these advancements, several challenges persist. The sector continues to serve a highly diverse customer base, including small-scale farmers, street vendors daily wage labourers, each with unique financial behaviour and needs.

By empowering communities with knowledge and access, the sector has accelerated the mission of inclusive economic growth, making financial services more equitable, accessible sustainable across India.

NBFC-MFI Sector Dynamics

In FY25, the NBFC-MFI (Non-Banking Financial Company – Microfinance Institution) sector remained in the throes of a crisis. Specifically, loan growth for NBFCS witnessed a slowdown in FY25, compared to the previous year. Simultaneously, Asset Under Management (AUM) growth is expected to decline to 20% in FY25, from 24% in FY24.

This subdued demand was primarily attributed to weaker credit requirements, softer macroeconomic conditions regulatory tightening by the Reserve Bank of India (RBI). The central bank's revised guidance on lending to unsecured and microfinance loans has led to a recalibration of credit exposure among NBFCS, particularly in high-risk segments such as consumer finance, personal loans MFIS.

The growing indebtedness of borrowers emerged as a critical concern, with higher loan values and multiple loans burdening low-income borrowers, resulting in excessive leverage and repayment challenges. Additionally, the declining strength of the Joint Liability Group (JLG) model is contributing to the strain on MFI operations.

The gross non-performing asset (NPA) for the sector rose sharply to 16% by the end of FY25, nearly doubling from 8.8% in the previous year. In absolute terms, NPAs increased significantly, from ₹38,000 crore in March FY24 to ₹61,000 crore in March FY25.

Non-Banking Financial Companies–Microfinance Institutions (NBFC-MFIs) reported that over 12% of their ₹1.48 lakh crore exposure was classified as stressed by the end of March 2025. This sharp rise in defaults has led lenders across the sector to scale back new disbursements significantly. Consequently, the sector's total gross loan portfolio contracted by nearly 7%, declining to ₹3.81 lakh crore as of March 2025.

In contrast, two-wheeler loans and affordable housing portfolios have shown resilience it is expected to recover more quickly, which will help to strengthen the broader macroeconomic climate.

Furthermore, recent measures by the RBI, particularly the reduction in the repo rate for bank lending, reflect a supportive policy stance that is likely to ease funding access, especially for smaller non-banking financial companies (NBFIs).

Although stress in the microfinance segment has yet to spill over into secured loan books meaningfully, lenders will continue to priorities disciplined portfolio diversification and rigorous risk management frameworks.

In conclusion, the outlook for the sector remains cautious, with overall growth expected to decline to 4% in FY25. The slowdown is primarily attributed to dilution of JLG culture and widespread borrower overleveraging. The sector remains a cornerstone of financial inclusion in India its long-term performance will be closely tied to the country's economic recovery and effective policy implementation.

(https://economictimes.indiatimes.com/industry/banking/finance/banking/microfin-in-major-crisis-with-near-2x-npa-surge-joint-liability-lending-model-on-shaky-ground/articleshow/120742589.cms?from=mdr)
(https://www.financialexpress.com/money/explainer-when-small-loans-spell-big-trouble-3833523)

The MSME Landscape

India's Micro, Small Medium Enterprises (MSME) sector presents a dual narrative in FY25. On one hand, proactive policy frameworks and enhanced regulatory oversight have significantly broadened credit access, reflecting the sector's growing strategic importance within the national economy.

On the other hand, a notable increase in enterprise closures highlights persistent structural challenges that could undermine this momentum. The key imperative now lies in transforming improved financial access into long-term operational resilience.

The Economic Survey underscores the pivotal role of MSMEs in India's credit landscape. Credit to the sector expanded by 13% year-on-year (YoY), notably outpacing the 6.1% growth observed among large enterprises. This robust credit growth signals the sector's rising contribution to employment generation and GDP, positioning MSMEs as instrumental to India's ongoing economic recovery.

CREDIT TO THE MSME SECTOR

India's Micro, Small and Medium Enterprises (MSME) sector saw its commercial credit portfolio grow 13% year-over-year (YoY), with overall credit exposure reaching ₹35.2 lakh crore as of March 31, 2025. The growth was primarily driven by an increase in credit supply to existing borrowers. This growth was accompanied by improved asset quality, with balance-level serious delinquencies (90 to 720 days past due and classified as 'sub-standard') falling to a five-year low of 1.8%. This marked a 35 basis point decline from 2.1% in March 2024.

Additionally, agricultural credit reported a 5.1% uptick, while industrial credit growth improved from 3.2% in the previous year to 4.4%, signalling broad-based economic revival.

However, the sector also faces critical headwinds. Since 2020, 75,082 MSMEs have ceased operations, with nearly 47.4% of those closures occurring in the current fiscal year alone, almost double the previous year's tally of 19,828. The primary cause remains inadequate access to working capital, underscoring the disconnect between credit availability and its effective utilisation.

In this context, platforms such as the Trade Receivables Discounting System (TReDS) are playing an increasingly important role by enabling more efficient access to liquidity. To fully realise their potential, further efforts are required to increase awareness, promote adoption beyond urban centres enhance ecosystem integration to support the sustainability of MSMEs.

Beyond financial access, the government is focusing on enhancing financial inclusion, driving digitalisation strengthening the supply chain to provide the necessary infrastructure for MSMEs to thrive. These initiatives are being implemented to alleviate regulatory burdens, foster innovation promote efficient operations, thereby contributing more significantly to India's GDP growth. This, in turn, creates a ripple effect that enhances overall economic growth and job creation.

Strengthening the MSME Sector

India's Micro, Small Medium Enterprises (MSME) sector remains a cornerstone of the country's economic framework, making substantial contributions to employment generation, innovation GDP expansion. Over time, this sector has demonstrated notable resilience, effectively navigating economic disruptions and adapting to evolving market conditions. In the aftermath of the pandemic, MSMEs demonstrated exceptional adaptability through accelerated digital adoption, diversification of business models deeper integration into both domestic and global value chains.

In recognition of the sector's strategic importance, the Government of India has implemented a comprehensive array of support measures. These include enhanced access to credit, digital infrastructure initiatives policy instruments such as the Emergency Credit Line Guarantee Scheme (ECLGS), Production-Linked Incentive (PLI) schemes streamlined regulatory frameworks. Non-Banking Financial Companies (NBFCs) have also played a vital role in addressing credit access gaps by extending collateral-free financing and tailored advisory services to emerging enterprises.

Nevertheless, the sector continues to encounter structural impediments, including limited access to formal financial systems, workforce skill deficiencies infrastructural challenges, particularly in rural and semi-urban regions. Despite these hurdles, the collaborative momentum among government bodies, private stakeholders technology-driven solutions is steadily reshaping the MSME ecosystem.

As India charts its path toward achieving a US$5 trillion economy, the MSME sector is positioned to catalyse inclusive economic growth and long-term sustainable development.

The Union Budget – A Supportive Stance

India's Micro, Small Medium Enterprises (MSME) sector remains a cornerstone of the country's economic framework, making substantial contributions to employment generation, innovation GDP expansion. Over time, this sector has demonstrated notable resilience, effectively navigating economic disruptions and adapting to evolving market conditions. In the aftermath of the pandemic, MSMEs demonstrated exceptional adaptability through accelerated digital adoption, diversification of business models deeper integration into both domestic and global value chains.

In recognition of the sector's strategic importance, the Government of India has implemented a comprehensive array of support measures. These include enhanced access to credit, digital infrastructure initiatives policy instruments such as the Emergency Credit Line Guarantee Scheme (ECLGS), Production-Linked Incentive (PLI) schemes streamlined regulatory frameworks. Non-Banking Financial Companies (NBFCs) have also played a vital role in addressing credit access gaps by extending collateral-free financing and tailored advisory services to emerging enterprises.

Nevertheless, the sector continues to encounter structural impediments, including limited access to formal financial systems, workforce skill deficiencies infrastructural issues, particularly in rural and semi-urban areas. Despite these obstacles, the collaborative momentum among government bodies, private stakeholders technology-driven solutions is steadily reshaping the MSME ecosystem.

As India charts its path towards achieving a US$5 trillion economy, the MSME sector is poised to act as a catalyst for inclusive economic growth and long-term sustainable development.

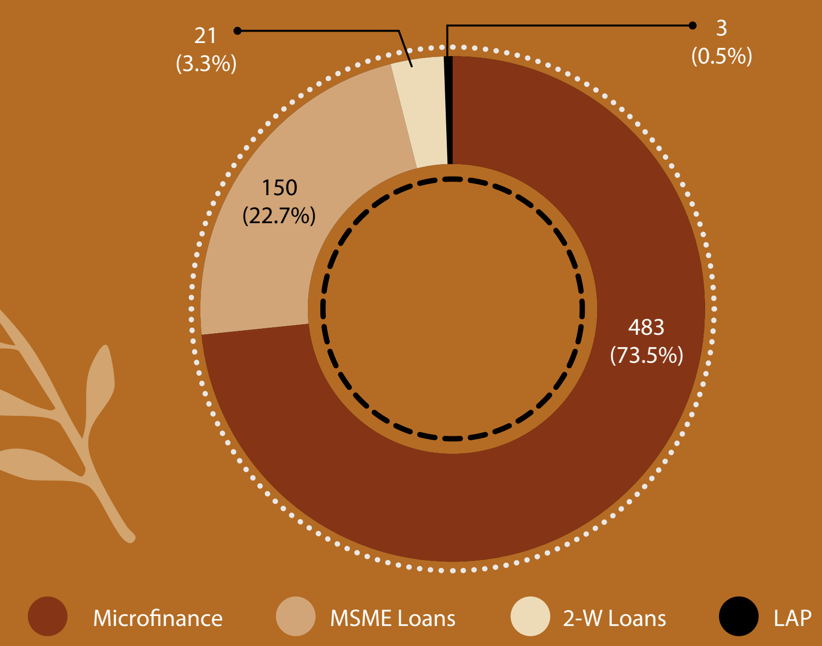
About Our Business

Arman Financial Services Limited, a Reserve Bank of India (RBI)- registered Non-Banking Financial Company – Investment & Credit Company (NBFC-ICC) - is primarily engaged in providing two-wheeler financing and unsecured loans to Micro, Small Medium Enterprises (MSMEs). The Company has recently expanded its product portfolio to include asset-backed loans against property and Individual Business Loans.

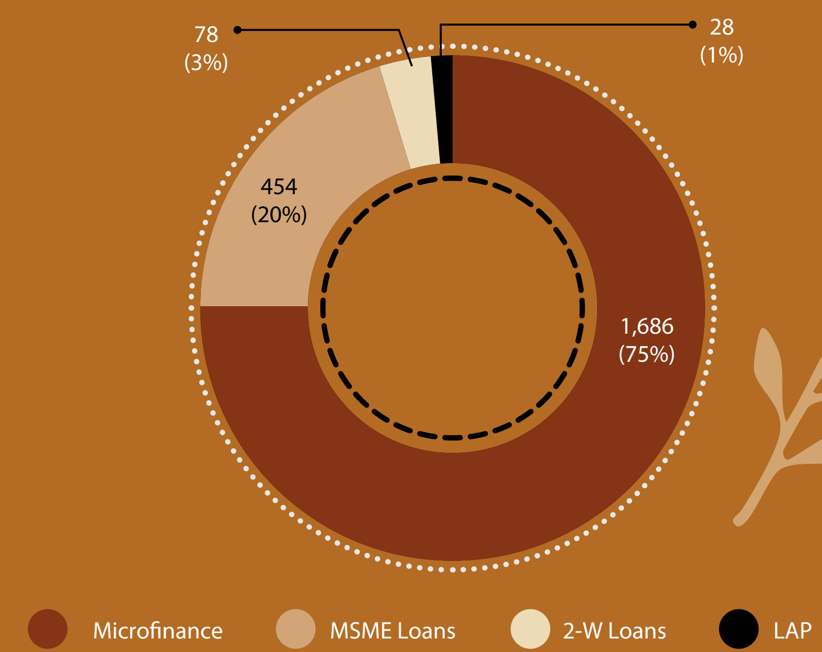
Through its wholly owned subsidiary, Namra Finance Limited, an NBFC-MFI, the Company also extends microfinance solutions with a targeted focus on empowering women entrepreneurs.

Operating across 11 states Arman maintains a strategic presence in rural and semi-urban markets, catering to the traditionally underserved informal sector. The Company offers small-ticket retail loans backed by robust in-house operations, comprehensive credit assessments customised collection mechanisms designed to suit its operational landscape.

Revenue Split
(₹ Cr)



AUM Split
(₹ Cr)



BUSINESS VERTICAL-1

Microfinance: Making a Difference

Through its subsidiary Namra, Arman delivers small-ticket loans to women entrepreneurs to support income-generating ventures. From modest origins, the Company has evolved into a respected and recognised leader in the NBFC-MFI sector. Microfinance remains the Company's flagship vertical, providing a strong foundation for expansion into complementary business domains.

Performance in FY25

In light of heightened volatility in the microfinance ecosystem and persistent collection challenges, the Company undertook a deliberate slowdown in business activity, resulting in a subdued performance. Staying true to our core principle of maintaining asset quality, we made higher provisioning, largely reflecting the ongoing stress in rural pockets and ensured these provisions remained aligned with on-ground realities.

Responding proactively to evolving market dynamics and rising competitive intensity, which have notably influenced customer behaviour, we implemented strategic enhancements to our operating model. Rolled out in FY26, these initiatives are focused on strengthening asset quality and driving sustainable profitability.

At an industry level, increasing concerns around asset quality led to the collective adoption of guardrails aimed at supporting customer deleveraging. We remain fully compliant with these measures. Moreover, all disbursements made post-November 2024 are now covered under the CGFMU scheme, offering further risk protection. To reinforce credit discipline and improve efficiency, we have also restructured our internal framework by separating the credit function at the branch level and establishing a dedicated collections vertical.

Operating Model

- High-touch monthly collection model
- Rural concentration: ~89.98% rural & semi-urban portfolio (vs 75% for MFI industry)
- Conservative risk framework
- 100% Cashless disbursement
- Customers form JLG groups
- Loan utilisation checks to ensure the loan is for income-generating purposes.
- Controlled growth targets driven by bottom-up projections

THE BUSINESS IN NUMBERS

OPERATING PRESENCE	BUSINESS IN FY25	
11 States	1,232 Disbursement (₹ cr)	1,686 Assets under Management (₹ cr)
391 MFI Branches	552 Total Income (₹ cr)	22.8% Yield
6.97 Lakh Active Customers	8 Profit after Tax (₹ cr)	0.37% Net NPA

BUSINESS VERTICAL-2

MSME Loans:
Strengthening India's Industrial Backbone

Since its launch in 2017, Arman's strategic business diversification has delivered remarkable results. Its grassroots-level engagement provided deep insights into the vast potential within India's rapidly expanding Micro, Small Medium Enterprises (MSME) sector.

Recognising this opportunity, the Company adopted a calibrated approach by offering MSME loans in states where it had already established a strong footprint through its microfinance operations. This measured strategy enabled Arman to capitalise on its in-depth understanding of the local demographic, culture, business dynamics credit landscape. Notably, the MSME segment delivers the Company's highest Return on Assets (ROA). With an increasing focus on strengthening the MSME ecosystem by governments, the growth outlook for this segment remains highly favourable.

Performance in FY25

Despite a challenging macroeconomic environment, Arman delivered consistent growth, underscoring its operational resilience and financial strength. Assets Under Management (AUM) rose to ₹454 crore, driven by healthy disbursement volumes and sustained borrower demand. Total income increased to ₹150 crore, reflecting stronger portfolio performance and improved operational efficiency. The stable average ticket size highlights a disciplined lending approach, with a clear focus on maintaining portfolio quality.

While the Rural MSME portfolio was not immune to broader macroeconomic headwinds, which exerted some pressure on NPAs, its performance remained better than expected, demonstrating the segment's inherent resilience and the effectiveness of Arman's risk management strategies. Collectively, these outcomes reaffirm Arman's readiness to scale further in a dynamic market environment.

Operating Model

- Dual credit bureau check for both customer and spouse on CRIF (for MFI loans) and CIBIL (for non-MFI loans)
- High-touch monthly cash collection model
- Cash Flow assessment using tailored appraisal techniques
- Locally drawn field force with personal knowledge of the market
- In-house teams for pre-lending field investigations and appraisals with centralised final credit approval

THE BUSINESS IN NUMBERS

OPERATING PRESENCE	BUSINESS IN FY25	
5 States	392 Disbursement (₹ cr)	454 Assets under Management (₹ cr)
95 MSME Branches	150 Total Income (₹ cr)	36.5% Yield
1 Lakh Active Customers	74,000 Average Ticket Size (INR)	0.92% Net NPA

BUSINESS VERTICAL-3

2-Wheeler Loans:
Sustaining Stability

Arman initiated its business operations by extending credit facilities to self-employed and cash-salaried individuals operating within the informal sector, primarily in semi-urban and rural geographies, to support the acquisition of two-wheelers. This lending vertical laid the strategic groundwork for Arman's long-term growth trajectory.

Over the years, the Company has forged robust partnerships with key stakeholders, including dealers and original equipment manufacturers (OEMs), which have played a pivotal role in sustaining its market presence and driving expansion. Currently, this vertical is geographically focused in Gujarat, where Arman has established a deeply rooted footprint, enabling consistent and stable performance.

Operating Model

- Focus on quick turnaround time
- Excellent relationships with dealers and OEMs
- In-house feet-on-street model for rigorous collections

Performance in FY25

The two-wheeler segment remained stable in FY25, with favourable monsoons and government initiatives for rural development helping to boost rural sales, indicating a strengthening market trend. This trend resulted in a disbursement of ₹62 crore in FY25, compared to ₹67 crore in FY24. AUM remained stable at ₹78 crore in FY25, compared to ₹ 79 crore in FY24.

THE BUSINESS IN NUMBERS

OPERATING PRESENCE	BUSINESS IN FY25	
1 States	**62** Disbursement (₹ cr)	**78** Assets under Management (₹ cr)
50 Dealerships	**21** Total Income (₹ cr)	**26.9**% Yield
18K Active Customers	**75,000** Average Ticket Size INR	**1.39**% Net NPA

BUSINESS VERTICAL-4

LAP Loans:
Bridging the Credit Gap

Launched in Q4 2024, this vertical was introduced to deepen market penetration across suburban and rural regions, focusing on individuals with semi-formal incomes who traditional financial institutions often overlook.

The initiative is designed to bridge the credit gap by providing accessible and affordable financial solutions to underserved communities. Initially rooted in Gujarat, operations have recently expanded into Telangana and Madhya Pradesh, where Arman has cultivated a strong and deeply embedded presence, driving consistent and stable performance.

Performance in FY25

As of March 2025, the Loan Against Property (LAP) loans accounted for approximately 1.2% of the total AUM. In FY25, this product experienced consistent traction in semi-urban and rural markets, with an average loan amounting to ₹4.35 lakh and tenure options ranging from 36 to 84 months. The total income generated from this segment was ₹2.97 crore, accompanied by disbursements totalling ₹9 crore throughout the year. This growth was primarily fuelled by the increasing demand for secured credit among self-employed individuals and semi-formal income groups in underserved areas. Furthermore, government initiatives focused on rural development, coupled with the ongoing recovery of the rural economy, significantly contributed to the product's momentum.

Operating Model

- Loan-to-Value (LTV) ratio (up to 65%)
- Credit bureau checks the legal evaluation of the property
- Practical income and FOIR analysis
- In-house teams conduct pre-lending field investigations and appraisals, while final credit approval is centralised to ensure consistency and risk control.

THE BUSINESS IN NUMBERS

OPERATING PRESENCE	BUSINESS IN FY25	
3 States	**27** Disbursement (₹ cr)	**28** Assets under Management (₹ cr)
60% Average LTV	**2.97** Total Income (₹ cr)	**22.20%** Yield
4,35,000 Average Ticket Size (INR)	**43.17** Total profit after Tax (₹ cr)	**0** Net NPA

Human Resource

At Arman, our people are the bedrock of our sustained success. Their unwavering dedication and disciplined drive continue to propel the Company toward ambitious growth targets and inspire a culture of innovation and excellence.

In recognition of this critical asset, Arman remains committed to investing in talent development. We focus on enhancing capabilities, deepening expertise, fostering leadership, and positioning the organisation as a hub of continuous learning and knowledge enrichment.

The Human Resources (HR) function plays a strategic role in attracting, nurturing retaining our intellectual capital. With a strong emphasis on operational safety, particularly given the inherent risks associated with cash handling, Arman ensures robust protocols are in place to safeguard our teams.

The Company uphold a performance-driven culture that recognises and rewards merit. It is equally committed to cultivating a positive and inclusive work environment where every team member feels respected, supported empowered.

RISK MANAGEMENT

Overcoming challenges to unlock sustainable growth

At Arman, risk management constitutes a continuous and integral component of our operations at all levels of the organisation, enterprise, functional branch. We have established a comprehensive risk management framework designed to proactively identify, assess mitigate potential risks. This framework serves to safeguard our assets and reputation by providing clear guidelines that define, measure, control report risks at the enterprise level, thereby ensuring informed decision-making and organisational resilience.

COMPLIANCE RISK

Regulatory non-compliance poses risks to both brand credibility and business continuity.

Mitigation Measures

- The Risk team actively monitors regulatory developments to ensure the Company remains aligned with evolving requirements.
- IT systems keep the team alert of forthcoming compliances, ensuring timely adherence.
- Integrated MIS systems streamline compliance by delivering required reports within mandated deadlines.
- Compliance is a critical priority that is periodically reviewed by the leadership team and the Board.

COLLECTION RISK

Customer defaults in EMI repayments may adversely affect business performance and sustainability.

Mitigation Measures

- The borrower evaluation process is tailored to meet the specific requirements of each business segment, ensuring a precise assessment of creditworthiness.
- A robust field force continuously connects with customers to guide their cash management practices and promote consistent EMI collections.
- Improvements in business processes promise to further enhance collections and quality going forward.

GROWTH RISK

Maintaining growth momentum on an expanded base presents a potential challenge.

Mitigation measures

- The Company's business is based on the rural economy, which is a high priority for the government.
- The government continues to implement supportive policies and schemes aimed at accelerating the growth of the rural economy.
- The Company operates across multiple revenue verticals, each offering strong growth potential in the near to long term.

PRODUCT CONCENTRATION RISK

The Company's strong dependence on the microfinance segment, accounting for more than 70% of business, makes it vulnerable to sector-specific challenges.

Mitigation Measures

- Favourable demographics and unmet credit demand indicate a strong and enduring growth trajectory for India's microfinance sector.
- The MSME and individual loan segments are anticipated to substantially enhance business volumes and profitability within the next 3–5 years. Meanwhile, the overall contribution of the MFI segment has declined compared to the previous year.

GEOGRAPHIC CONCENTRATION RISK

Concentrating business operations in a limited region can limit scalability and pose challenges to long-term growth.

Mitigation Measures

- The Company has expanded its microfinance footprint from 5 states in 2017 to 11 states by 2025.
- The Company is strategically leveraging its strong microfinance presence to expand other business verticals across these states.
- The Company follows a measured expansion approach, ensuring regional cultural and financial landscapes are well understood before advancing operations.

FUNDING RISK

Access to funding will be crucial for seizing emerging business opportunities.

Mitigation measures

- Consistent and timely loan repayments have earned the Company a strong reputation among its funding partners.
- The Company's solid financials, strong credit standing, and comfortable equity base, complemented by a healthy CAR position it to tap into diverse funding opportunities.

IT RISK

Existing IT infrastructure may face limitations in supporting scalable and efficient operations.

Mitigation Measures

- The Company has made strong technological strides in recent years, aiming to become an industry leader. Its integrated tech platform, combining the Loan Origination System (LOS), Loan Management System (LMS), and accounting modules, ensures seamless connectivity across the organisation and all product lines, enhancing efficiency and scalability.
- The Company leverages an IT-enabled HRMS platform to manage the complete employee life cycle for its workforce of over 4,800.
- Arman consistently allocates substantial resources towards modern technology adoption to streamline operations and boost productivity.

FINANCIAL PERFORMANCE

Despite persistent headwinds in the microfinance sector, our performance for the quarter and full year ended March 31, 2025, underscores resilience and operational discipline.

- Gross Total Income for FY25 reached ₹730 crores, marking a 10% year-on-year growth.
- Net Income rose to ₹491 crores, reflecting a robust 24% increase over FY24.
- Pre-Provisioning Operating Profit (PPOP) stood at ₹333 crores, up 14% year-on-year.
- Profit After Tax was ₹52 crores, impacted by elevated provisioning, resulting in a 70% decline compared to the previous year.

Asset Quality & Provisioning

Our continued focus on strengthening collection and underwriting frameworks has led to notable improvements in asset quality:

- The gross NPA declined to 3.37% as of March 31, 2025, representing an improvement of 75 basis points from 4.13% in December 2024.
- We adopted a prudent and forward-looking provisioning strategy, with cumulative provisions totalling ₹117 crores for FY25.
- This covers 5.23% of consolidated AUM and 6.55% of on-book AUM.

Capital Strength

We remain well-capitalised to support future growth:

- Capital Adequacy Ratio stood at 37.34% for the standalone entity.
- Namra Finance reported a robust 48.37% increase, reinforcing its Balance Sheet strength and lending capacity.

Key Ratios

Particulars	Consolidated 2024-25	Consolidated 2023-24	Standalone 2024-25	Standalone 2023-24	Change as compared to the immediately previous financial year – Consolidated	Change as compared to the immediately previous financial year – Standalone	Remarks – Consolidated	Remarks – Standalone
(i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:								
(i) Debtors Turnover	NA	NA	NA	NA	NA	NA	NA	NA
(ii) Inventory Turnover	NA	NA	NA	NA	NA	NA	NA	NA
(iii) Interest Coverage Ratio	NA	NA	NA	NA	NA	NA	NA	NA
(iv) Current Ratio	NA	NA	NA	NA	NA	NA	NA	NA
(v) Debt Equity Ratio	1.41	2.12	0.7	0.54	-33.49%	29.63%	Consolidated Debt Equity Ratio reduced from 2.12 to 1.41 due to reduction in Consolidated OnBook AUM from ₹2146.66 Crs to INR 1793.70.	Standalone Debt Equity Ratio increased from 0.54 to 0.70 due to increase in OnBook AUM from ₹428.78 Crs to ₹557.53.
(vi) Operating Profit Margin (%)	NA	NA	NA	NA	NA	NA	NA	NA

Particulars	Consolidated		Standalone		Change as compared to the immediately previous financial year		Remarks	
	2024-25	2023-24	2024-25	2023-24	Consolidated	Standalone	Consolidated	Standalone
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	7.13%	26.24%	23.74%	28.39%	-72.83%	-16.38%	Microfinance sector witnessed a significant deterioration in asset quality during FY 2024–25, which adversely impacted the financial performance of Namra Finance Ltd., the wholly owned subsidiary. As a result, the company reported a sharp increase in impairment allowance amounting to ₹235 crore, reflecting a 306.57% rise compared to FY 2023–24, leading to a notable reduction in consolidated net profit for the year.	NA
(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.	5.96%	21.36%	7.37%	7.09%	-72.12%	4.01%	The sharp increase in impairment allowance of ₹235 crore in FY 2024–25, owing to the deterioration in asset quality across the microfinance sector, significantly reduced Namra Finance Ltd.'s net profit. Consequently, this decline in profitability also led to a contraction in the company's Return on Net Worth (RoNW) during the year, as the reduced earnings impacted overall return metrics despite a stable capital base.	NA

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Mr. Alok N. Prasad**
  Chairman
- **Mr. Jayendrabhai B. Patel**
  Vice Chairman & Managing Director
- **Mr. Aalok J. Patel**
  Joint Managing Director
- **Mr. Yash K. Shah**
  Independent Director
- **Mrs. Ritaben J. Patel**
  Non- Executive Director
- **Mr. Aakash J. Patel**
  Non- Executive Director
- **Ms. Geeta Haresh Solanki**
  Independent Director
- **Mr. Pinakin S. Shah[#]**
  Independent Director

BOARD COMMITEES

Audit Committee

Mr. Yash K. Shah, Chairman

Mrs. Ritaben J. Patel, Member

Mr. Alok N. Prasad, Member

Mr. Pinakin Shah[#], Member

Stakeholders Relationship Committee

Mr. Alok N. Prasad, Chairman

Mr. Yash K. Shah, Member

Mr. Jayendrabhai B. Patel, Member

Nomination and Remuneration Committee

Mr. Pinakin Shah[#], Chairman

Mr. Yash K. Shah, Member

Mr. Alok N. Prasad, Member

Ms. Geeta Haresh Solanki, Member

Corporate Social Responsibility Committee

Mr. Jayendrabhai B. Patel, Chairman

Mr. Alok N. Prasad, Member

Mr. Aalok J. Patel, Member

CHIEF EXECUTIVE OFFICER
Mr. Jayendrabhai B. Patel

CHIEF FINANCIAL OFFICER
Mr. Vivek A. Modi

COMPANY SECRETARY
Mr. Jaimish G. Patel[%]

Mr. Uttam N. Patel[$]

STATUTORY AUDITORS
M/s Laxminiwas & Co.

SECRETARIAL AUDITORS
M/s GKV & Associates

REGISTERED OFFICE
502-503, Sakar-III,

Opp. Old High Court, Off. Ashram Road,

Ahmedabad-380014, Gujarat

Ph.: 079-40507000; 27541989

E-Mail: finance@armanindia.com;

secretarial@armanindia.com

Website: www.armanindia.com

REGISTRAR & SHARE TRANSFER AGENT
Bigshare Services Private Limited

Office No S 6-2, 6th Floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093, India.

Contact No. 022-6263 8200, 08069219060, 08069219061, 08069219065

E-mail: marketing@bigshareonline.com, investor@bigshareonline.com

Website: www.bigshareonline.com

BANKERS
State Bank of India

AU Small Finance Bank Limited

IDFC First Bank Limited

ICICI Bank Limited

DEBENTURE TRUSTEE
Catalyst Trusteeship Limited

IDBI Trusteeship Services Limited

Vardhaman Trusteeship Private Limited

Mr. Ramakant Nagpal completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024.

[#]Mr. Pinakin Shah was appointed as an Independent Director effective from August 14, 2024

%Mr. Jaimish Patel resigned from the position of Company Secretary & Compliance Officer effective from May 17, 2025

[$]Mr. Uttam Patel appointed as Company Secretary & Compliance Officer effective from June, 20, 2025

Arman Financial Services Limited

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

NOTICE

Notice is hereby given that the **33rd Annual General Meeting (AGM)** of Shareholders of Arman Financial Services Limited will be held on Monday, September 29, 2025 at 12:00 P.M. (IST) through Video Conferencing /Other Audio-Visual Means ('VC/OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements as at 31st March, 2025 including the Audited Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Financial Statements as at 31st March, 2025 including the Audited Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss for the year ended on that date and reports of the Auditors thereon.
3. To appoint a Director in place of Mr. Aakash Patel (DIN: 02778878) as Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Ritaben Patel (DIN: 00011818) as Director who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. **TO APPOINT M/S GKV AND ASSOCIATES AS SECRETARIAL AUDITORS OF THE COMPANY FOR A TERM OF 5 (FIVE) YEARS**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act"), Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws (including any statutory modifications or re-enactments currently in force), the consent of the members of the Company be and is hereby accorded for appointment of M/s GKV & Associates., Practicing Company Secretary, (Firm Registration No S2018GJ565600, Peer Review Certificate No.:2136/2022) as the Secretarial Auditors of the Company for the term of 5(five) consecutive years commencing from the conclusion of 33rd Annual General Meeting ("AGM") till the conclusion of the 38th AGM of the Company to be held in the year 2030 at such remuneration, as may be decided by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient and desirable for the matters connected therewith or incidental thereto."

6. **RE-APPOINTMENT OF MR. JAYENDRA PATEL (DIN: 00011814) AS VICE CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY FOR A TERM OF 5 (FIVE) YEARS**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Sections 196, 197, 198, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) in context of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Jayendra Patel (DIN: 00011814) as Vice Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. September 01, 2026 and whose office is liable to retire by rotation, on the remuneration, terms and conditions as set out in the explanatory statement annexed to the notice."

"RESOLVED FURTHER THAT the aggregate amounts of Managerial Remuneration to be paid to Mr. Jayendra Patel individually / jointly as the case as may be which shall be within the overall ceiling limit as laid down in Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 and any amendment thereof."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Mr. Jayendra Patel in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Jayendra Patel, Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013."

"RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized severally to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

7. **RE-APPOINTMENT OF MR. YASH SHAH (DIN: 02155636) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE SECOND TERM**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") read with the Rules framed thereunder, Schedule IV to the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other provisions as may be applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Yash Shah (DIN: 02155636), who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, for a second term of 5 (five) years effective September 02, 2026 not being liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable, in order to give effect to this Resolution."

Place: Ahmedabad
Date: August 13, 2025

By Order of the Board

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

Jayendra Patel
Vice Chairman & Managing Director
DIN: 00011814

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated May 5, 2020 read with circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.MCA had, vide circular no. 09/2024 dated September 19, 2024 has allowed the Companies whose AGM are due to be held in the year 2025, to conduct their AGMs on or before September 30, 2025 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to MCA Circular no. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives by uploading a duly certified copy of the board resolution authorising their representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

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

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

5. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 is annexed hereto.

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

7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through National Securities Depository Limited (**"NSDL"**) in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL. Members of the Company holding shares as on the cut-off date i.e. September 22, 2025, may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

   The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 22.

8. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 03rd October, 2024, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice of 33rd AGM and the Annual Report of the Company for the year ended March 31, 2025 have been uploaded on the Company's website www.armanindia.com and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

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

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

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

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

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

    Further SEBI vide its circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07th May, 2024, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares.

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

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

    During the year 2024-25, the Company has transferred 6700 equity shares to the demat account of IEPF Authority.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"IEPF Rules"**), the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2025 on its website www.armanindia.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

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

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

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

17. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities vide master circular no SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07th May, 2024 as amended from time to time. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at www.armanindia.com.

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

18. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participants and members holding shares

in physical mode are requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at www.armanindia.com.

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

19. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting
    - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.
    - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.

20. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:
    - Members holding shares in physical form - Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
    - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.

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

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

The remote e-voting period begins on Thursday, September 25, 2025 at 09:00 A.M. and ends on Sunday, September 28, 2025 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2025.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code as mentioned below NSDL Mobile App is available on App Store Google Play

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

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

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

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@armanindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@armanindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of **"VC/OAVM"** placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at www.armanindia.com. The same will be replied by the company suitably.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views /ask questions during the AGM. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5

Pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, In Board Meeting held on May 29, 2025 the Board of Directors have approved the appointment of M/s GKV & Associates., Practicing Company Secretary, (Firm Registration No S2018GJ565600, Peer Review Certificate No.: 2136/2022) as the Secretarial Auditors of the Company for a term of upto 5 (Five) consecutive years to hold office from the conclusion of this 33rd Annual General Meeting (**"AGM"**) till the conclusion of 38th AGM of the Company to be held in the Year 2030 on following terms and conditions:

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

Period of Appointment	For a period up to 5(five) years, from the conclusion of this 33rd AGM till the conclusion of 38th AGM of the Company to be held in the Year 2030.
Secretarial Audit Fees	For FY 2025-26 : Up to ₹1,20,000/- (Rupees One Lakh Twenty Thousand only) plus applicable taxes and other out of-pocket expenses. For subsequent FY(s): Such fees will be determined by the Board in consultation with Secretarial Auditors. The proposed fees are based on their knowledge, expertise, industry experience.
Brief Profile	M/s GKV & Associates is a professional firm established in January 2018, led by CS Gautam Virsadiya, a Fellow Company Secretary, LLB, B.Com, DTP, and registered Trade Mark Attorney with over 12 years of experience. The firm offers services in corporate law, drafting and documentation, legal and financial due diligence, compliance management, and regulatory representation. It regularly appears before authorities like NCLT, MCA, SEBI, RBI, and the Trade Marks Registry, and also assists in obtaining various regulatory approvals and licenses under corporate and securities laws.
Basis of recommendations	The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and as per SEBI Regulations and quality of audit work done by him in the past.

In view of the aforesaid, the Board recommends the ordinary resolution set forth in Item No. 5 for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item no. 5 of the Notice.

Item No. 6

At the 29th Annual General Meeting held on September 29, 2021, Mr. Jayendra Patel, aged 74 years, was re-appointed as Managing Director of the Company for a period of 5 (five) years effective from September 1, 2021 on the terms and conditions as approved by the shareholders at the said Annual General Meeting. Mr. Jayendra Patel has also been appointed as the Managing Director cum CEO of Namra Finance Limited (wholly owned subsidiary of Arman Financial Services Limited) w.e.f. August 21, 2024 with remuneration and on other terms & conditions as set-out in the special resolution passed by its shareholders at the 12th Annual General Meeting held on September 27, 2024.

The Board of Directors at their meeting held on August 13, 2025 have, subject to the approval of the shareholders, re-appointed Mr. Jayendra Patel as Managing Director of the Company with effect from September 01, 2026 for a period of 5 (five) years on the remuneration, terms and conditions recommended by the Nomination and Remuneration Committee as set out herein.

In accordance with the provisions of Section 196(3), Section 203 and Schedule V of the Companies Act, 2013 (the 'Act'):

i. person who has attained the age of 70 years can be appointed as managing director only by passing a special resolution, in which case, the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person; and

ii. where a person is managerial person in more than one companies, he shall draw remuneration from one or both the companies provided the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any of the companies of which he is the managerial person.

Mr. Jayendra Patel (aged 74 years) while re-appointing him as Managing Director of the Company, the Board of Directors considered that he has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue him as Managing Director. Further, the Company during the years has achieved remarkable growth. Moreover, the Company is aggressively concentrating on its expansion plans. The Board is of the opinion that his services should continue to be available to the Company to achieve greater heights, by re-appointing him as Managing Director as mentioned in the resolution, subject to the approval of shareholders. He is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and a declaration to the effect that he is not debarred or disqualified from being re-appointed or continuing as a Director of any Company by the SEBI or Ministry of Corporate Affairs or any such authority.

He also holds the position of Managing Director of wholly owned subsidiary, Namra Finance Limited since October 24, 2013. Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board at their meeting held on August 13, 2025 approved the remuneration, terms and conditions of the appointment of Mr. Jayendra Patel, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

a) Salary and perquisites shall not exceed ₹120.00 lakhs per annum payable either monthly or quarterly or half yearly or yearly and by way of performance linked bonus and/or commission and/or Sweat Equity or any other form as may be recognised under the term salary and perquisites in Income Tax Act;

b) In addition to salary, benefits like contribution to provident fund, gratuity, leave travel concession etc. shall be paid. The list of benefits is limited to perquisites as provided under Section IV of Schedule V to the Companies Act, 2013;

c) Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Jayendra Patel, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

d) The total combined remuneration drawn from this Company and Namra Finance Limited (Wholly Owned Subsidiary) would not exceed the higher maximum limit admissible as provided under Section II of Part II of Schedule V, from any one of the Companies of which he is a managerial person and that any excess remuneration, if any, drawn or paid to him shall be forthwith refunded to the Company in the event the appointment comes to an end by any reason whatsoever prematurely before the tenure of appointment is over and also in the event when his appointment is not renewed for a further period beyond the period of five years for which he is appointed;

e) As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for this appointment.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is set out in the Annexure to the notice.

Except Mr. Jayendra Patel himself, Mr. Aalok Patel, Mr. Aakash Patel and Mrs. Ritaben Patel relatives of Mr. Jayendra Patel and their relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise, in the Special resolution set out at Item No. 6 of the Notice.

The Board recommends the special resolution set forth in the Item No.6 of the Notice for approval of the Members.

Item No. 7

Mr. Yash Shah (DIN: 02155636) was appointed as an Independent Director of the Company for a term of 5 (five) years effective September 02, 2021. His first term would accordingly expire on September 01, 2026.

The Company had received consent from Mr. Yash Shah for being re-appointed as an Independent Director for the second term of 5 (five) years. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on August 13, 2025, has re-appointed Mr. Yash Shah as an Independent Director of the Company for a term of 5 (five) years effective September 02, 2026 subject to approval of shareholders by Special Resolution.

The Company has received a declaration from Mr. Yash Shah confirming that he meets the criteria of independence as provided under section 149 (6) of the Companies Act 2013 ("Act") and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Further, Mr. Yash Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and a declaration to the effect that he is not debarred or disqualified from being appointed or continuing as a Director of any Company by the SEBI or Ministry of Corporate Affairs or any such authority.

In terms of Section 149 read with Section 152 of the Act, Mr. Yash Shah shall hold office for a term up to 5 (five) years on the Board and is not liable to retire by rotation. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Yash Shah for the office of Director of the Company.

The Nomination & Remuneration Committee of the Company after taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Mr. Yash Shah's qualifications and the experience in the above mentioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Yash Shah continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Except Yash Shah himself and his relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution for approval by the Members of the Company.

Place: Ahmedabad
Date: August 13, 2025

By Order of the Board

Jayendra Patel
Vice Chairman & Managing Director
DIN: 00011814

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

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

Details of the Directors seeking appointment / re-appointment at the 33rd Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard -2 are provided below:

Mr. Aakash Patel, Non Executive Director : who retires by rotation and being eligible, offers himself for re-appointment.

Name of Director	Mr. Aakash Patel
DIN	02778878
Date of Birth (Age)	October 29, 1979 (45 years)
Relationships with other Directors	Son of Mr. Jayendra Patel (Vice Chairman & Managing Director) & Mrs. Ritaben Patel (Non Executive Director) and Brother of Mr. Aalok Patel (Joint Managing Director)
Date of first appointment	October 24, 2000
Expertise / Brief Resume	**Expertise:** Well conversant with IT along with Management Techniques **Brief Profile:** Aakash Patel has a B. A. degree in Computer Science and in Business Management from Gettysburg College in the USA, and an MBA from Bentley College in Boston-USA. He has over 20 years of computer and business experiences, which includes over 3 years of experience as a consultant with Deloitte, 2 years with Intellitools as a software developer, and amongst others companies such as Hewlett Packard, EMC Corporation, SoftscapeInc, Sumtotals Systems. Currently, he works as a Manager- PMO (USA) for Bullhorn Inc.
Remuneration	Siting fee is paid to him for attending the Board Meeting
Qualification	B. A. in Computer Science, Business Management; Masters of Business Administration.
No. of Equity Shares held	Nil
Terms and conditions of appointment/ re-appointment	He was appointed as a Non-Executive Director of the Company since October 24, 2000.
No. of Board meetings attended during FY 2024-25	3 Meeting Attended out of 4 Meeting held
List of other Companies in which directorship are held / Listed Entity Resignation	Nil He has not resigned as Director from any listed entity in past three years.
Chairmanship / Membership of Committees	Nil

Mrs. Ritaben Patel, Non Executive Director : who retires by rotation and being eligible, offers herself for re-appointment.

Name of Director	Mrs. Ritaben Patel
DIN	00011818
Date of Birth (Age)	August 27, 1950 (74 Years)
Relationships with other Directors	Spouse of Mr. Jayendra Patel (Vice Chairman & Managing Director) and Mother of Mr. Aakash Patel (Non Executive Director) & Mr. Aalok Patel (Joint Managing Director)
Date of first appointment	November 26, 1992
Expertise / Brief Resume	**Expertise:** Banking & Finance **Brief Profile:** Mrs. Patel, is a Graduate in Economics. She also holds Banking qualifications from First National Bank of Chicago, USA. She has worked with various US banks like First National Bank of Chicago, Golf Mill Bank, Morton Grove Bank in various capacities for more than a decade.
Remuneration	Sitting fee is paid to her for attending the Board / Committee Meeting
Qualification	B. A. in Economics
No. of Equity Shares held	4,36,089

Name of Director	Mrs. Ritaben Patel
Terms and conditions of appointment/ re-appointment	She was reappointed as a Non-Executive Director of the Company in the 32nd AGM held on September 27, 2024
No. of Board meetings attended during FY 2024-25	3 Meeting Attended out of 4 Meeting held
List of other Companies in which directorship are held / Listed Entity Resignation	Namra Finance Limited She has not resigned as Director from any listed entity in past three years.
Chairmanship / Membership of Committees	**Arman Financial Services Limited** Member - Audit Committee **Namra Finance Limited** Member - Audit Committee

Mr. Jayendra Patel, Re-Appointment as Vice Chairman & Managing Director.

Name of Director	Mr. Jayendra Patel
DIN	00011814
Date of Birth (Age)	October 13, 1951 (74 Years)
Relationships with other Directors	Spouse of Mrs. Ritaben Patel (Non Executive Director); Father of Mr. Aakash Patel (Non Executive Director) & Mr. Aalok Patel (Joint Managing Director)
Date of first appointment	August 28, 1995
Expertise / Brief Resume	**Expertise:** Management Acumen **Brief Profile:** He is the founder of the Company with over 30 years of senior managerial and board-level experience in the finance sector. He spent a decade in the U.S.A., where he completed his education and subsequently joined Kapps Pharmaceuticals Inc. as a Company Executive. During his tenure in the U.S.A., he successfully turned around two sick units into profitable ventures. In 1992, he returned to India to focus on and expand operations in the field of finance, dedicating his full-time attention to Arman. Under his leadership, Arman has witnessed remarkable growth in its business operations and has consistently created value for all its stakeholders. He is a founder member and the current Secretary of the Gujarat Finance Companies Association. He is also Managing Trustee of B. M. Patel Foundation and Arman Foundation.
Remuneration	As per the resolution passed by the shareholders in their meeting held on September 29, 2021. For the details related to remuneration drawn during the year 2024-25, please refer Corporate Governance Report forming part of the Annual Report.
Qualification	B.Sc.
No. of Equity Shares held	4,27,937
Terms and conditions of appointment/ re-appointment	As per proposed Resolution and Explanatory Statement
No. of Board meetings attended during FY 2024-25	All four meeting attended
List of other Companies in which directorship are held / Listed Entity Resignation	Namra Finance Limited He has not resigned as Director from any listed entity in past three years.
Chairmanship / Membership of Committees	**Arman Financial Services Limited** Member - Stakeholder Relationship Committee Chairman - Corporate Social Responsibility

Mr. Yash Shah, Re-Appointment as Independent Director.

Name of Director	Mr. Yash Shah
DIN	02155636
Date of Birth (Age)	March 03, 1984 (41 Years)
Relationships with other Directors	NA
Date of first appointment	September 2, 2021
Expertise / Brief Resume	**Expertise:** Transaction Advisory **Brief Profile:** Yash Shah is a fellow member of Institute of Chartered Accountants of India (ICAI). He is a chartered accountant since 2005 and is in field of consulting/practice for nearly 20 years. His prime area of focus and expertise is providing consultation to clients in the fields of Transactions such as Mergers & Acquisitions, IPO's, Valuations, Compliances and other regulatory laws. He is currently a partner with a leading CA firm named M/s Dhirubhai Shah & Co LLP overseeing the Advisory vertical of the firm. He is also actively associated with a boutique M&A Advisory Firm, Transaction Square LLP wherein he engages and overviews the clients based in Gujarat. Yash was earlier associated and working with KPMG, Mumbai in the Merger and Acquisitions Tax Department. He has written various papers for organizations such as Jain International Trade Organizations, Gujarat Chamber of Commerce and Industries (GCCI) Chartered Accountant Association (CAA). He currently serves as an Independent Director in many other listed entities and also as a Co Chairman of the Direct Tax Committee of the GCCI.
Remuneration	Sitting fee will be paid to him for attending the Board / Committee Meeting
Qualification	B. Com and Chartered Accountant
No. of Equity Shares held	Nil
Terms and conditions of appointment/ re-appointment	Ms. Yash Kaushik Shah is getting re-appointed as an Independent Director for second term of 5 (five) years w.e.f. September 2, 2026 subject to approval of Shareholders in the ensuing Annual General Meeting
No. of Board meetings attended during FY 2024-25	All four meeting attended
List of other Companies in which directorship are held / Listed Entity Resignation	Restile Ceramics Limited Brady and Morris Engineering Company Limited He has not resigned as Director from any listed entity in past three years.
Chairmanship / Membership of Committees	1. **Restile Ceramics Limited:** Member, Audit Committee 2. **Brady and Morris Engineering Company Limited:** Member - Stakeholder Relationship Committee

BOARD'S REPORT

Dear Members,

The Directors of the Company with immense pleasure in presenting the 33rd Director's Report together with the Audited Financial Statements, both on Consolidated and Standalone basis for the Financial Year ended on March 31, 2025. Unless otherwise specifically mentioned, all the numbers provided in this report are standalone figure.

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

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

1. FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Total Revenue	73,004.39	66,152.77	18,529.81	13,823.36
Profit Before Interest and Depreciation	31,024.39	49,498.81	10,193.16	9,410.46
Finance Charges	23,936.10	26,547.49	4,356.42	4,556.55
Depreciation	179.07	142.37	37.03	18.87
Net Profit Before Tax	6,909.22	22,808.95	5,799.71	4,835.03
Current Tax	2,311.20	5,974.30	1,745.20	1,049.30
Deferred Tax (Asset)/Liability	(741.17)	(561.10)	(262.45)	(39.73)
Short/(Excess) provision of income tax of earlier year	131.87	38.47	-	35.65
Net Profit After Tax	5,207.32	17,357.28	4,316.96	3,789.81
Basic Earnings Per Share (In ₹)	49.67	195.00	41.17	42.58
Diluted Earnings Per Share (In ₹)	49.26	192.76	40.84	42.09

2. OPERATIONS

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

Consolidated Performance Highlights

- AUM was ₹2,245.41 crores in FY 2024-25 as compared to ₹2,639.33 crores in FY 2023-24, decreased by 14.93%.
- Disbursement was ₹1713.38 crores in FY 2024-25 as compared to ₹2,297.03 crores in FY 2023-24 decreased by 25.41%.
- Total income was ₹730.04 crores in FY 2024-25 as compared to ₹661.53 crores in FY 2023-24, increased by 10.36%
- Profit before taxes was ₹69.09 crores in FY 2024-25 as compared to ₹228.09 crores in FY 2023-24, decreased by 69.71%
- Profit for the year attributable to owners of the Company was ₹52.07 crores in FY 2024-25 as compared to ₹173.57 crores in FY 2023-24, decreased by 70.00%
- The basic Earnings Per Share was ₹49.67 as compared to ₹195.00, decreased by 74.53%
- The diluted Earnings Per Share was ₹49.26 as compared to ₹192.76, decreased by 74.44%

Standalone Performance Highlights

- AUM was ₹559.63 crores in FY 2024-25 as compared to ₹446.22 crores in FY 2023-24, increased by 25.42%
- Disbursement was ₹481.40 crores in FY 2024-25 as compared to ₹401.87 crores in FY 2023-24, increased by 19.79%
- Total income was ₹185.30 crores in FY 2024-25 as compared to ₹138.23 crores in FY 2023-24, increased by 34.05%
- Profit before taxes was ₹58.00 crores in FY 2024-25 as compared to ₹48.35 crores in FY 2023-24, increased by 19.95%
- Profit for the year attributable to owners of the Company was ₹43.17 crores in FY 2024-25 as compared to ₹37.90 crores in FY 2023-24, increased by 13.91%.
- The basic Earnings Per Share was ₹41.17 as compared to ₹42.58, decreased by 3.31%
- The diluted Earnings Per share was ₹40.84 as compared to ₹42.09, increased by 2.97%

3. DIVIDEND

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

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

4. APPROPRIATIONS

The Company proposes to transfer ₹864.00 Lakhs (previous year ₹758.00 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹10.00 Lakhs (previous year ₹10.00 Lakhs) to the general reserve.

5. COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013.

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

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

7. CREDIT RATING & GRADING

During the year under review, Acuité reviewed the ratings on various bank facilities and debt instrument of the Company and its subsidiary. Acuité has reaffirmed its rating for long term bank facility and debt instruments to "ACUITE A" (Outlook Negative).

CARE has reaffirmed its rating for various Non-Convertible Debentures ("NCDs") to "CARE A-"; Stable (A minus; outlook Stable). CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") of Namra Finance Limited to "CARE A-"; stable (A minus; outlook stable).

The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2024-25.

8. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has one wholly owned subsidiary, named 'Namra Finance Limited'. During the year, no changes took place in the group corporate structure of your Company. The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The said policy is available at the Company website at the link https://armanindia.com/policycode.aspx → Policy for Material Subsidiary.

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

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

9. INVESTMENT IN SUBSIDIARY

During the year under review, the Company has invested ₹70.00 cr. in Namra Finance Limited (wholly owned subsidiary) by subscribing 35,00,000 lakhs equity shares of ₹10/- each at the rate of ₹200.00 (including premium of ₹190.00). Total investment in wholly owned subsidiary stood at ₹335.63.cr.

10. UNCLAIMED DIVIDEND & SHARES

During the year Company has transferred unclaimed dividend for the year 2016-17 of ₹2,99,370 /- to Investor Education and Protection Fund (IEPF) pursuant to provision of Section 124 of the Companies Act, 2013 which remained unclaimed for a period of more than seven years.

Members desirous of claiming their shares and dividend which have been transfered to the IEPF, may refer to the refund procedure, as detailed on www.iepf.gov.in. Underlying shares on which dividend has remained unclaimed from FY 2017-18 onwards, will be due for transfer to IEPF account during the year and individual notices to that effect has been sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

11. DEPOSITS AND LOANS, GUARANTEES INVESTMENTS

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Details of Loans, Guarantees and Investments by Company under the provisions of Section 186 of the Companies Act, 2013, are provided in Note 3 and 4 to the Standalone Financial Statements.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

As on March 31, 2025, the Board comprised 8 (eight) Directors, including the Vice Chairman & Managing Director, Joint Managing Director, 2 (two) Non-Executive Directors and 4 (four) Independent Directors, of which 1 (one) is a Woman Independent Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aakash J. Patel [DIN: 02778878] and Mrs. Ritaben J. Patel [DIN: 00011818] will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

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

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

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

a) Appointment / Re-appointment

During the last AGM held on September 27, 2024, the members approved the following:

- Appointment of Mr. Pinakin Shah (DIN: 00007695) as an Independent Director for the first term of 5 (five) years with effect from August 14, 2024.
- Re-appointment of Mr. Aalok Patel (DIN: 02482747) as the Joint Managing Director for a period of 5 (five) years with effect from August 21, 2024.
- Continuation of Mrs. Ritaben Patel as a Non-Executive Director of the Company

Further during the year, by way of Special Resolution passed through Postal Ballot vide notice dated February 14, 2025, the members approved the re-appointment of Ms. Geeta Solanki (DIN: 08212773) as an Independent Director of the Company for the second term of 5 (five) years with effect from April 01, 2025.

Mr. Jayendra Patel has been re-appointed by the Board of Directors at its meeting held on August 13, 2025. The Board has also recommended the re-appointment of Mr. Yash Shah as an Independent Director of the Company for a second term of five years, at the same meeting. Both re-appointments are subject to the approval of the members at the ensuing AGM.

A brief profile and other relevant information of the Directors being re-appointed is given in the explanatory statement to the Notice convening the AGM, for your perusal.

b) Completion of tenure

During the FY 2024–25, Mr. R. K. Nagpal (DIN: 00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024. The Board placed on record its sincere appreciation and deep gratitude for his valuable contributions and guidance during his tenure as a member of the Board.

c) Key Managerial Personnel (KMP)

Mr. Uttam N. Patel was appointed as the Company Secretary and Compliance Officer of the Company, being a Whole-time Key Managerial Personnel, with effect from June 20, 2025. He was appointed in place of Mr. Jaimish Patel, who resigned from the position of Company Secretary and Compliance Officer with effect from the close of working hours on May 17, 2025.

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

1. Mr. Jayendrabhai B. Patel – Vice Chairman & Managing Director
2. Mr. Aalok J. Patel – Joint Managing Director
3. Mr. Vivek A. Modi – Chief Financial Officer
4. Mr. Uttam N. Patel – Company Secretary & Compliance Officer (wef June 20, 2025)
5. Mr. Jaimish Patel- Company Secretary & Compliance Officer (upto May 17, 2025)

13. MEETING OF THE BOARD & AUDIT COMMITTEE

The Board during the financial year 2024-25 met 4 (four) times and Audit Committee met 4 (four) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings of the Board and the Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

14. NOMINATION AND REMUNERATION COMMITTEE

As per the Section 178(1) of the Companies Act, 2013 the Company has constituted Nomination and Remuneration Committee, details of which are provided in the Corporate Governance Report which forms part of this Annual Report.

15. REMUNERATION POLICY

Remuneration to Executive Directors

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

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

The Company may if the need arise, strike a balance between the fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal. The Nomination & Remuneration Committee of Board of Directors shall recommend periodic revision in the remuneration of Executive Directors to the Board and the Board shall fix their remuneration taking into consideration above factors as also ceiling limits prescribed under the Companies Act, 2013 and other statutes. The same shall also be approved by the shareholders where required.

Remuneration to Non-Executive Directors

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

16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company continues to place strong emphasis on its human resources, which are considered its most valuable asset. During the year, the Company maintained a cordial and harmonious work environment across all levels. Various initiatives were undertaken towards employee development, training, and engagement, aimed at enhancing skills and productivity. The Board places on record its sincere appreciation of the commitment, dedication, and contribution made by all employees towards the growth and success of the Company. As on March 31, 2025, the Company had a total of 1154 employees on its rolls.

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **"Annexure-2"**.

However, the information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

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

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

i. Number of Complaints of Sexual Harassment received in the year : Nil

ii. Number of Complaints disposed off during the year: Nil

iii. Number of cases pending for more than ninety days : Nil

II. The Company has maintained compliance with the provisions of the Maternity Benefit Act, 1961.

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended on March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

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

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

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

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

19. FAMILIARIZATION PROGRAMME

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at https://armanindia.com/policyncode.aspx → Familiarization Programme for Independent Directors.

20. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

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

b) Secretarial Auditors

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

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

M/s. GKV & Associates. have carried out the Secretarial Audit for FY 2024-25 and their report in Form MR-3, is annexed herewith as **"Annexure-3"**. There were no qualification / observations in the report.

During the year 2024-25, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

21. RELATED PARTY TRANSACTIONS

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

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

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

22. RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee in accordance with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and has adopted a comprehensive Risk Management Policy.

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

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

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

23. INTERNAL CONTROL SYSTEM

The Company has established adequate internal control systems to ensure compliance with applicable policies, procedures and regulatory requirements. These systems are continuously evaluated and strengthened through the adoption of new or revised Standard Operating Procedures (SOPs) and enhanced Information Technology (IT) controls.

Internal audits are conducted at regular intervals to assess the effectiveness of internal controls across key functions. In addition, the Company engages an external agency to carry out a Management Audit, providing an independent review of management systems and operational efficiencies.

The findings and recommendations from both the Internal Audit Reports and Management Audit Reports are reviewed by the Audit Committee of the Board, along with updates on implementation status to ensure timely corrective actions.

24. INTERNAL FINANCIAL CONTROL

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

25. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

26. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

Manner of Evaluation

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

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

The evaluation of Board as a whole, individual directors and its various Committees is being carried out by the Nomination & Remuneration Committee of the Company and subsequently it gives the report of evaluation to the Board for review.

27. CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance in all its dealings with stakeholders. It has complied with the Corporate Governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance, along with a certificate from M/s. GKV & Associates, Practicing Company Secretaries, confirming the level of compliance, forms part of the Board's Report.

28. WHISTLE BLOWER POLICY

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy are available on Company's website at the link: https://armanindia.com/policyncode.aspx → Whistle Blower Policy

29. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2024-25 is available on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=Annual-return → Annual Return 2024-25

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy and technology absorption:

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

B. Foreign exchange earnings and outgo:

There were no foreign exchange earnings during the year (previous year - Nil) further the expenditure in foreign currency by the Company during the year was Nil (previous year: ₹49,73,100/-) towards the due diligence fees.

31. SHARE CAPITAL & DEBENTURES

- **Authorized Share Capital:**

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

- **Paid up Share capital:**

  As on March 31, 2025, the Company's paid-up Equity Share Capital was ₹10,49, 05, 380/- divided into 1,04,90,538 Equity Shares of ₹10/- each.

- **Non-Convertible Debentures (NCDs) as on March 31, 2025.**

  ISIN:INE109C07071 (Unlisted)

  The Company issued 4,97,310 (Four Lakh Ninety-Seven Thousand Three Hundred Ten) Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 12.20% p.a., each having a face value of ₹1,000/- (Rupees One Thousand only), aggregating to ₹49,73,10,000/- (Rupees Forty Nine Crore Seventy Three Lakh Ten Thousand only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on April 11, 2023 and are scheduled to mature on April 11, 2028.

  ISIN:INE109C07089 (Listed)

  The Company issued 4,900 (Four Thousand Nine Hundred) Secured, Rated, Redeemable, Principal Protected, Senior, Non-Cumulative, Taxable, Not Guaranteed Non-Convertible Debentures (NCDs), bearing interest at 8.82% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹49,00,00,000/- (Rupees Forty-Nine Crore only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on July 19, 2023 and are scheduled to mature on July 19, 2025.

  ISIN:INE109C07048 (Unlisted)

  The Company issued 2,88,750 (Two Lakh Eighty-Eight Thousand Seven Hundred Fifty) Rated, Unlisted, Secured, Senior, Redeemable, Taxable, Transferable Non-Convertible Debentures (NCDs), bearing interest at 11.30% p.a., each having a face value of ₹1,000/- (Rupees One Thousand only), aggregating to ₹28,87,50,000/- (Rupees Twenty-Eight Crore Eighty-Seven Lakh Fifty Thousand only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on June 14, 2022 and are scheduled to mature on June 14, 2027.

  During the year, the Company issued the following Non-Convertible Debentures (NCDs):

  ISIN:INE109C07097 (Listed)

  The Company issued 4,980 (Four Thousand Nine Hundred Eighty) Secured, Rated, Redeemable, Principal Protected, Senior, Non-Cumulative, Taxable, Not Guaranteed Non-Convertible Debentures (NCDs), bearing interest at 10.20% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹49,80,00,000/- (Rupees Forty-Nine Crore Eighty Lakh only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on April 25, 2024 and are scheduled to mature on January 25, 2026.

- **Buy Back of Securities:**

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

- **Sweat Equity:**

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

- **Bonus Shares:**

  No Bonus Shares were issued during the year under review.

- **Employees Stock Option Plan**

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

  During the financial year under the review, the Company has allotted 1910 and 300 ordinary equity shares of ₹10/- each on May 16, 2024 and September 18, 2024 respectively to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2016'.

During the financial year under the review, the Company has allotted 11554 ordinary equity shares of ₹10/- each on September 18, 2024 to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2023'.

Particulars of Employee Stock Options granted, vested, exercised and allotted are given in **"Annexure-4"**.

32. CORPORATE SOCIAL RESPONSIBILITY

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

Further, the Report on CSR activities is annexed herewith as **"Annexure-5"**.

33. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Pursuant to Regulation 34 (2) (f) of SEBI Listing Regulations, Company is required to submit a Business Responsibility Sustainability Report ("BRSR") as a part of the Annual Report. The Company's BRSR describing the initiatives taken by the Company is uploaded on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=BRSR → BRSR is annexed herewith as **"Annexure-6"**.

34. CODE OF CONDUCT

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

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis forms a part of this Annual Report.

36. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

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

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

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

38. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

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

The Company has not made any such transaction during the FY 2024-25.

40. GRATITUDE & ACKNOWLEDGEMENTS

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

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

Place: Ahmedabad Date: August 13, 2025	**Jayendra Patel** (Vice Chairman & Managing Director) DIN: 00011814	**Aalok Patel** (Joint Managing Director) DIN: 02482747

ANNEXURE-1

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

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

Part A - Subsidiaries

SRN	Particulars	(₹ in Lakhs)
1.	Name of the Subsidiary Company	Namra Finance Limited
2.	Reporting period of the Subsidiary Company	March 31, 2025
3.	Reporting Currency of the Subsidiary Company	₹
4.	Share Capital	5,286.00
5.	Reserves & Surplus	58,548.24
6.	Total Assets	1,59,549.12
7.	Total Liability	95,714.87
8.	Investment	3,897.15
9.	Turnover	55,237.94
10.	Profit before tax	1,003.84
11.	Provision for tax	219.15
12.	Profit after tax	784.69
13.	Dividend	Nil
14.	Extent of shareholding (in percentage)	100%

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

Part B - Associates and Joint Ventures: None

ANNEXURE-2

PARTICULARS OF REMUNERATION

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

i. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2024-25:

Name of Director	Designation	Remuneration of the Directors for 2024-25 (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Alok Prasad	Chairman & Independent Director	2.48	0.90:1
Jayendra Patel	Vice Chairman & Managing Director	22.49	8.20:1
Aalok Patel	Joint Managing Director	10.98	4.01:1
Ramakant Nagpal*	Independent Director	0.37	0.13:1
Ritaben Patel	Non-Executive Director	1.11	0.40:1
Aakash Patel	Non-Executive Director	Nil	N.A.
Pinakin Shah**	Independent Director	0.87	N.A.
Geeta Solanki	Independent Director	0.81	0.29:1
Yash Shah	Independent Director	1.86	0.68:1

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

*Mr. Ramakant Nagpal completed his tenure effective from July 2, 2024.

**Mr. Pinakin Shah was appointed as an Independent Director w.e.f. August 14, 2024.

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

Name of Director	Designation	Nature of Payment	Percentage increase in remuneration
Alok Prasad	Chairman & Independent Director	Sitting fee	18.31%
Jayendra Patel	Vice Chairman & Managing Director	Remuneration	6.06%
Aalok Patel	Joint Managing Director	Remuneration	5.77%
Ramakant Nagpal*	Independent Director	Sitting fee	(74.92%)
Ritaben Patel	Non-Executive Director	Sitting fee	11.00%
Aakash Patel	Non-Executive Director	Sitting fee	Nil
Pinakin Shah**	Independent Director	Sitting fee	N.A.
Geeta Solanki	Independent Director	Sitting fee	(5.29%)
Yash Shah	Independent Director	Sitting fee	51.43%
Vivek Modi	Chief Financial Officer	Remuneration	20.41%
Jaimish Patel	Company Secretary	Remuneration	19.47%

*Mr. Ramakant Nagpal completed his tenure effective from July 2, 2024.

**Mr. Pinakin Shah was appointed as an Independent Director w.e.f. August 14, 2024.

iii. The percentage increase in the median remuneration of employees in the financial year 2024-25: 52.29%

iv. There were 1154 employees on the rolls of Company as on March 31, 2025.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase of the employee of the Company other than managerial personnel is 52.29%. Increase in remuneration of managerial personnel is 12.51%. There were no exceptional circumstances for increase in the managerial remuneration during the year.

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

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

ANNEXURE-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

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

To,
The Members,
Arman Financial Services Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   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 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021**; (Not applicable to the Company during the Audit Period)**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
6. Specifically, applicable Laws to the Company, as identified and confirmed by the Management:
   i. The Reserve Bank of India Act, 1934,
7. Labor Laws applicable to the Employees of the Company:
   i. Provident Fund Act, 1952;
   ii. Employees State Insurance Act, 1948;
   iii. Profession Tax Act, 1975;
   iv. The Payment of Gratuity Act, 1972

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India;
b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

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

We further report that:

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory auditor and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

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

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

We further report that:

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

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

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366G001000201

Place: Ahmedabad
Date: August 13, 2025

Note: This report is to be read with our letter of even date which is annexed as **Annexure-3A** forms an integral part of this report.

ANNEXURE-3A

To,
The Members,
Arman Financial Services Limited

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

Management Responsibility:

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

Auditors Responsibility:

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366G001000201

Place: Ahmedabad
Date: August 13, 2025

ANNEXURE-4

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 For Financial Year 2024-25

The Nomination and Remuneration Committee (Compensation Committee) of the Company, inter alia, administers and monitors the Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman Employee Stock Option Plan 2023 ("ESOP Plan 2023") of the Company in accordance with applicable SEBI regulations.

A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in Note no. 41 of the Notes to Accounts forming part of the Annual Report 2024-25 of the Company.

B. Diluted earnings per share pursuant to the issue of share on exercise of options will be calculated in accordance with relevant Accounting Standard issued by ICAI when shares will be allotted from time to time.

C. Details related to Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman -Employee Stock Option Plan – 2023 ("ESOP Plan 2023"):

a. The description of the existing scheme is summarized as under:

SRN	Particulars	ESOP 2016						
a)		Grant I May 26, 2017 (Option Granted 97,500)	Grant II May 25, 2018 (Option Granted 9,000)	Grant III October 13, 2018 (Option Granted 2,500)	Grant IV February 12, 2021 (Option Granted 3,500)	Grant V February 14, 2022 (Option Granted 2,000)	Grant VI February 14, 2023 (Option Granted 4,500)	Grant VII August 14, 2023 (Option Granted 1,000)
b)	Date of shareholders' approval	September 22, 2016						
c)	Total number of options approved under ESOP	1,25,000 options						
d)	Vesting requirements	The options would vest not earlier than one year and later than three years from the date of grant of options.						
e)	Exercise price or pricing formula	₹50/-						
f)	Maximum term of options granted	3 years						
g)	Source of shares	Primary						
h)	Variation in terms of options	None						

SRN	Particulars	ESOP Plan 2023	
a)		Grant I August 14, 2023 (Option Granted 1,48,600)	Grant II August 14, 2024 (Option Granted 12,350)
b)	Date of shareholders' approval	July 4, 2023	
c)	Total number of options approved under ESOP	3,00,000 options	
d)	Vesting requirements	The options would vest not earlier than one year and later than four years from the date of grant of options.	
e)	Exercise price or pricing formula	₹500/-	
f)	Maximum term of options granted	4 years	
g)	Source of shares	Primary	
h)	Variation in terms of options	None	

b. Method used to account for ESOP: **Intrinsic Value**

c. The difference between the employee compensation cost so computed as per intrinsic value and the employee compensation cost if Company would have used the fair value of the options and the impact of this difference on profits and on EPS of the Company: **Not Applicable**

d. Option movement during the year:

ESOP 2016	
Particulars	**Details**
Number of options outstanding at the beginning of the period	5,060
Number of options granted during the year	--
Number of options forfeited / lapsed during the year	--
Number of options vested during the year	2,210
Number of options exercised during the year	2,210
Number of shares arising as a result of exercise of options	2,210
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹1,10,500/-
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	2,850
Number of options exercisable at the end of the year	1,150

ESOP Plan 2023	
Particulars	**Details**
Number of options outstanding at the beginning of the period	1,27,040
Number of options granted during the year	12,350
Number of options forfeited / lapsed during the year	14,880
Number of options vested during the year	11,554
Number of options exercised during the year	11,554
Number of shares arising as a result of exercise of options	11,554
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹57,77,000/-
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	1,12,956
Number of options exercisable at the end of the year	256

e. Weighted-average exercise prices and weighted-average fair values of that options whose exercise price either equal or exceed or is less than the market price of the stock:

Particulars	Weighted average exercise price	Weighted average fair value of options
Exercise price equals/exceeds than market price of the stock	Not Applicable	Not Applicable
Exercise price less than market price of the stock (ESOP 2016)	₹50/-	₹1,558.40/-
Exercise price less than market price of the stock (ESOP Plan 2023)	₹500/-	₹1,890.17/-

f. Employee-wise details of options granted during the financial year 2024-25:

i. Senior managerial personnel:

ESOP Plan 2023			
Name of Employee	**Designation**	**No of Options Granted during the year**	**Exercise Price**
Moorthy Govindarajan	Chief Risk Officer	1000	₹500/-
Rupesh Trivedi	Head - Micro LAP	800	₹500/-
Niteshkumar Mishra	Internal Audit Head	700	₹500/-

ii. Other Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year: **Nil**

iii. employees who were granted option, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: **Nil**

g. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

ESOP 2016							
i.	**Weighted-average values of:**	**Details**					
	Grant trench	**Grant V**	**Grant VI**		**Grant VII**		
	Vesting Date	**14.02.2025**	**14.02.2025**	**14.02.2026**	**14.08.2024**	**14.08.2025**	**14.08.2026**
ii.	Share price at grant date	₹748/-	₹1511/-	₹1511/-	₹2,308/-	₹2,308/-	₹2,308/-
	Exercise price	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-
	Expected volatility	50.97%	22.02%	22.02%	45.00%	45.00%	45.00%
	Expected option life	3.12 years	2.12 years	3.12 years	1.12 years	2.12 years	3.12 years
	Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	The risk-free interest rate	5.40%	7.31%	7.39%	7.07%	7.29%	7.31%
	Any other inputs to the model	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Fair Value of Option	₹705.43	₹1468.18	₹1471.30	₹2261.81	₹2265.16	₹2268.20
iii.	The method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method					
iv.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.					
v.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	N.A.					

	ESOP Plan 2023								
	Weighted-average values of:	**Details**							
	Grant trench	**Grant I**				**Grant II**			
i.	**Vesting Date**	**14.08.2024**	**14.08.2025**	**14.08.2026**	**14.08.2027**	**14.08.2025**	**14.08.2026**	**14.08.2027**	**14.08.2028**
ii.	Share price at grant date	₹2,308/-	₹2,308/-	₹2,308/-	₹2,308/-	₹1,798.40/-	₹1,798.40/-	₹1,798.40/-	₹1,798.40/-
	Exercise price	₹500/-	₹500/-	₹500/-	₹500/-	₹500/-	₹500/-	₹500/-	₹500/-
	Expected volatility	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
	Expected option life	2 years	3 years	4 years	5 years	2 years	2 years	2 years	2 years
	Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	The risk-free interest rate	7.28%	7.31%	7.33%	7.33%	6.85%	6.91%	6.92%	6.88%
	Any other inputs to the model	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Fair Value of Option	₹1876.55	₹1909.50	₹1941.18	₹1970.87	₹1348.14	₹1382.15	₹1415.13	₹1445.70
iii.	The method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method							
iv.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.							
v.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	N.A.							

ANNEXURE-5

CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **Brief outline of Companies CSR Policy:**

   Arman Financial Services Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. **Composition of CSR Committee:**

   The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

SRN	Name of Director	Designation of the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Jayendra Patel	Chairman	2	2
2.	Mr. Alok Prasad	Member	2	2
3.	Mr. Aalok Patel	Member	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://armanindia.com/OtherReports.aspx?Page=Other-Disclousers

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

5. (a) **Average net profit of the Company as per section 135(5):** ₹33,29,19,349/-

   (b) **Two percent of average net profit of the company as per section 135(5):** ₹66,58,387/-

   (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:** ₹2,50,667/-

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹64,07,720/-

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹64,07,720/-

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

   (c) **Amount spent on Impact Assessment, if applicable:** Nil

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)].:** ₹64,07,720/-

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹20,35,755/-	₹43,71,965/-	April 21, 2025	-	-	-

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

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	₹66,58,387/-
ii.	Amount set-off for the Financial Year	₹2,50,667/-
iii.	Amount to be spent for the Financial Year [(i)-(ii)]	₹64,07,720/-
iv.	Total amount spent for the Financial Year	₹64,07,720/-
v.	Excess amount spent for the Financial Year [(iv)-(iii)]	-
vi.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
vii.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	2023-24	-	-	-	-	-	-
2.	2022-23	-	-	-	-	-	-
3.	2021-22	₹15,25,795/-	₹7,00,000/-	-	-	-	₹8,25,795/-

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

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable

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

Jayendra Patel
Vice Chairman & Managing Director &
Chairman of CSR Committee
DIN: 00011814

Place: Ahmedabad
Date: August 13, 2025

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

CODE OF CONDUCT AND ETHICS

The Code of Conduct ("the Code") for Board members and senior management personnel as adopted by the Board is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Chief Executive Officer to this effect is published in this report.

CEO / CFO CERTIFICATION

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

1. BOARD OF DIRECTORS

- **Composition of the Board of Directors**

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

As on March 31, 2025, the Board comprised 8 (eight) Directors, including the Vice Chairman & Managing Director, Joint Managing Director, 2 (two) Non-Executive Directors and 4 (four) Independent Directors, of which 1 (one) is a Woman Independent Director. Independent Directors are free from any business or other relationship that could materially influence their judgment.

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

In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Non-Executive Independent Directors had resigned before the expiry of their respective tenures during the financial year 2024-25.

Details of Directors as on March 31, 2025 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2025 are given below:

Name of the Director	Attendance Particular			Directorship (including Arman)[1]	Name & Category of Directorships of the Listed Companies (including Arman)	Committee Membership[1]	
	Board Meetings held during the tenure	Board meetings attended	Attendance at last AGM			Chairman	Member
Alok Prasad (C-ID)	4	4	No	2	• Arman Financial Services Limited (Independent Director) • Muthoot Microfin Limited (Independent Director)	1	2
Jayendra Patel (VC-MD)	4	4	Yes	2	• Arman Financial Services Limited (Vice Chairman & Managing Director)	-	1
Aalok Patel (JMD)	4	4	Yes	2	• Arman Financial Services Limited (Joint Managing Director)	-	1
Aakash Patel (NED)	4	3	Yes	1	• Arman Financial Services Limited (Non-Executive Director)	-	-
Ritaben Patel (NED)	4	3	No	2	• Arman Financial Services Limited (Non-Executive Director)	-	2
Yash Shah (ID)	4	4	Yes	3	• Arman Financial Services Limited (Independent Director) • Restile Ceramics Limited (Independent Director) • Brady & Morris Engineering Company Ltd (Independent Director)	1	3
Ramakant Nagpal (ID)[3]	1	1	NA	1	-	-	-
Pinakin Shah (ID)[4]	2	2	Yes	2	• Arman Financial Services Limited (Independent Director)	1	1
Geeta Solanki (ID)	4	3	No	2	• Arman Financial Services Limited (Independent Director)	-	-

{C-Chairman, VC-MD-Vice Chairman & Managing Director, JMD-Joint Managing Director, NED-Non-Executive Director, ID-Independent Director}

Note:

1. These numbers exclude the Directorship / Committee Membership held in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Regulation 26 of Listing Regulations, which were placed before the Board.
2. During the financial year, the Board of the Company met four times on May 27, 2024, August 14, 2024, November 13, 2024 and February 14, 2025. The time gap between any two consecutive Board Meetings did not exceed 120 days."
3. Mr. R. K. Nagpal (DIN: 00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024.
4. Mr. Pinakin Shah (DIN: 00007695) appointed as an Independent Director for the period of first term of five years with effect from August 14, 2024.

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

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

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

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

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

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

Name of the Director	Area of Skills / Expertise / Competencies
Mr. Aakash Patel	Entrepreneurial & Execution Experience, Human Capital & Leadership Development, Information Technology, Digital & Cybersecurity, Macroeconomic & Sectoral Trend Analysis, Resilience & Crisis Management, Marketing, Customer Experience & Product Innovation, Communication & Listening Skills
Mr. Ritaben Patel	Grassroots & Community Engagement Understanding, Environmental, Social & Governance (ESG) / CSR, Cultural Intelligence, Empathy & Social Sensitivity

- **Meeting of Independent Directors**

The Independent Directors of your Company met once during the year on February 14, 2025 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in formal way to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2. AUDIT COMMITTEE

- **Brief description of Terms of Reference**

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee discharges such duties and functions generally indicated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013 and such other functions as may be specifically assigned to it by the Board from time to time. Audit Committee met 4 (four) times on May 27, 2024; August 14, 2024; November 13, 2024 ; and February 14, 2025.

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Yash Shah Independent Director	Chairman	4	4
2.	Mr. Alok Prasad Independent Director	Member	4	4
3.	[1]Mr. Ramakant Nagpal Independent Director	Member	1	1
4.	Mrs. Ritaben Patel Non-Executive Director	Member	4	3
5.	[2]Mr. Pinakin Shah Independent Director	Member	2	2

1. Mr. R. K. Nagpal (DIN: 00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024.
2. Mr. Pinakin Shah (DIN: 00007695) was appointed as an Independent Director for a term of five (5) years with effect from August 14, 2024. He was also appointed as a member of the Audit Committee.

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

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

b) The Consolidated fees paid by the Company and its subsidiary to statutory auditors is ₹19.87 lakhs (towards audit fees, tax audit, certification work, income tax consultancy fee for the financial year 2024-25.)

3. NOMINATION AND REMUNERATION COMMITTEE

- **Brief description of Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

The scope of the Committee also includes review & decides on remuneration packages to the Executive Director(s), lay down performance parameters for the Managing Director, Executive Director(s), Senior Management, Key Managerial Personnel etc. and review the same.

In addition to the above, the Committee's role includes identifying persons who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal. The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board periodically, policies relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.

The Nomination and Remuneration Committee met 2 (two) times on August 14, 2024 and February 14, 2025.

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	[1]Mr. Ramakant Nagpal Independent Director	Chairman	Nil	Nil
2.	[2]Mr. Pinakin Shah Independent Director	Chairman	1	1
3.	Mr. Alok Prasad Independent Director	Member	2	2
4.	Mr. Yash Shah Independent Director	Member	2	2
5.	Ms. Geeta Solanki Independent Director	Member	2	2

1. Mr. R. K. Nagpal (DIN: 00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024.
2. Mr. Pinakin Shah (DIN: 00007695) was appointed as an Independent Director for a term of five (5) years with effect from August 14, 2024. He was also appointed as Chairman of the Nomination and Remuneration Committee.

- **REMUNERATION TO DIRECTORS**

The Vice Chairman & Managing Director and Joint Managing Director get the salary including perquisites. Remuneration paid for the year ended March 31, 2025 was as under:

Name of the Director	Remuneration (₹ in Lakh)	Period of appointment	Approving Authority
Jayendra Patel	22.49	Five years w.e.f. September 01, 2021	Members at 29th AGM held on September 21, 2021
Aalok Patel	10.98	Five years w.e.f. August 21, 2024	Members at 32nd AGM held on September 27, 2024
Total	**33.47**		

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

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

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

Apart from above criteria, no other performance linked incentives or any other fees are paid to any of the Directors. The criteria for making payments to the non-executive directors were:

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

Name of the Director	Sitting Fees Paid (₹ in lakhs)	No. of Equity Shares held
Mr. Alok Prasad	2.48	-
Mr. Yash Shah	1.86	-
Mr. Ramakant Nagpal	0.37	-
Mr. Aakash Patel	Nil	-
Mrs. Ritaben Patel	1.11	4,36,089
Ms. Geeta Solanki	0.81	-
Mr. Pinakin Shah	0.87	-

During financial year 2024-25, there were no pecuniary relationship/transactions of any non–executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During financial year 2024-25, the Company did not advance any loans to any of its directors.

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

Particulars of Senior Management:

As on March 31, 2025, the following officials are categorized under Senior Management Personnel category (Other than Board members):

S. No.	Name	Designation
1.	Mr. Sanjeev Mishra	Chief Operating Officer - Micro Finance
2.	Mr. Vivek Modi	Chief Financial Officer
3.	Mr. Mahendar Pinninti	Product Head - MSME & Rural TW
4.	Mr. Dipak Chavada	Head Operation – Vehicle Finance
5.	Mr. Rupesh Trivedi	Head – Loan Against Property
6.	Mr. Moorthy Govindarajan	Chief Risk Officer
7.	Mr. Saravanan Jaichandran	Group Head - HR
8.	Mr. Manoj Jha	Chief Information Officer
9.	Mr. Atul Patel	Chief Accountant
10.	Mr. Prashant Modi	Vehicle Finance Collections Head
11.	Mr. Kamlesh Garg	Management Information Systems Head
12.	Mr. Nitesh Mishra	Internal Audit Head
13.	Mr. Nagesh Kumar Goudelly	Credit Head
14.	Mr. Ankit Laddha	Chief Compliance Officer
15.	Mr. Jaimish Patel	Company Secretary

There was no changes took place in the Senior Management Personnel of the Company during the year under review.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- **Brief description of Terms of Reference**

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

The Stakeholders Relationship Committee met 1 (one) time on February 14, 2025

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Alok Prasad Independent Director	Chairman	1	1
2.	Mr. Yash Shah Independent Director	Member	1	1
3.	Mr. Jayendra Patel Vice Chairman & Managing Director	Member	1	1

- **SHARE TRANSFER COMMITTEE**

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

- **NAME AND DESIGNATION OF THE COMPLIANCE OFFICER**

Mr. Uttam N Patel, Company Secretary is the Compliance Officer for resolution of Shareholders' /Investors' grievances.

- **INVESTOR COMPLAINTS :**

During the financial year 2024–25, the Company received four complaints from investors/shareholders, all of which were duly resolved within the stipulated time. As of March 31, 2025, there were no unresolved or pending complaints. The quarterly statements on investor complaints received and disposed of were filed with the Stock Exchanges within 21 days from the end of each quarter and were also placed before the subsequent meetings of the Board of Directors.

5. CORPORATE SOCIAL RESPONSIBILITY MEETING

- **Brief description of Terms of Reference**

The terms of reference of the Corporate Social Responsibility Committee are wide enough to cover the matters specified under Section 135(3) of the Companies Act, 2013, are as follows:

i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII;

ii. recommend the amount of expenditure to be incurred on the activities referred to in above clause; and

iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee met 2 (two) times on August 14, 2024; and November 13, 2024

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Jayendra Patel Vice Chairman & Managing Director	Chairman	2	2
2.	Mr. Aalok Patel Joint Managing Director	Member	2	2
3.	Mr. Alok Prasad Chairman & Independent Director	Member	2	2

6. FINANCE & INVESTMENT COMMITTEE

- **Brief description of Terms of Reference**

The role of the Finance & Investment Committee is:

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

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

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

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

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

- **Composition**

The Finance & Investment Committee comprises following members:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Aalok Patel	Joint Managing Director	Chairman
2.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Member
3.	Mr. Vivek Modi	Chief Financial Officer	Member

7. RISK MANAGEMENT COMMITTEE

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

- **Brief description of Terms of Reference**

The role of the Risk Management Committee is to:

i. Overall responsibility to monitor and approve the Risk Management Framework;

ii. Ensuring proper identification of the risk associated with the Company;

iii. Assistance to the Board in determining the measures that can be adopted to mitigate the risk;

iv. Ensuring that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;

The Risk management Committee met 4 (four) times on July 02, 2024, October 28, 2024, January 06, 2025 and March 21, 2025

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Alok Prasad Chairman & Independent Director	Chairman	4	4
2.	Mr. Jayendra Patel Vice Chairman & Managing Director	Member	4	3
3.	Mr. Aalok Patel Joint Managing Director	Member	4	4
4.	Mr. Vivek Modi Chief Financial Officer	Member	4	4
5.	Mr. Govindrajan Moorthy Chief Risk Officer	Member	3	3

8. ASSET & LIABILITY MANAGEMENT COMMITTEE

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

- **Brief description of Terms of Reference**

The role of the Asset & Liability Management Committee is to:

i. Implementing the liquidity risk management strategy and Capital Planning

ii. Review the Liquidity Risk Measurement basis various approaches;

iii. Monitor Liquidity Risk basis various Tools;

iv. Review the Credit Sanction Process for High Value Proposals;

v. Review the Pricing of Assets & Liability and Monitor the Sensitivity of Interest Rates; and

vi. Ensuring Liquidity through maturity matching

The Asset-Liability Management Committee met 4 (four) times on July 02, 2024, October 28, 2024, January 06, 2025 and March 21, 2025

- **Composition and Attendance Details**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Jayendra Patel Vice Chairman & Managing Director	Chairman	4	3
2.	Mr. Aalok Patel Joint Managing Director	Member	4	4
3.	Mr. Vivek Modi Chief Financial Officer	Member	4	4
4.	Mr. Govindrajan Moorthy Chief Risk Officer	Member	3	3

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

9. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTOR

The Nomination and Remuneration Committee is empowered by the Board to carry out the entire performance evaluation process. Further, at a separate meeting held on February 14, 2025, Independent Directors evaluated performance of individual Directors, Board as a whole and Chairman. The Director, whose performance was being evaluated did not take part in such evaluation. Evaluation form on various parameters enumerated below:

- **Board Evaluation**

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

- **Executive Directors Evaluation**

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

- **Independent Directors Evaluation**

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

- **Chairman Evaluation**

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

- **Committees Evaluation**

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

10. GENERAL BODY MEETINGS

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

Year	Venue of A.G.M	Day, Date & Time	No. of Special Resolutions
2021-22	Virtual Meeting	Thursday, September 29, 2022 at 12.00 p.m.	2
2022-23	Virtual Meeting	Friday, September 29, 2023 at 12.00 p.m.	6
2023-24	Virtual Meeting	Friday, September 27, 2024 at 12.00 p.m.	4

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

  The shareholders of the Company have, by way of postal ballot, passed the special resolution for Re-appointment of Ms. Geeta Haresh Solanki as an Independent Directors for a second term of 5 years, effective April 1, 2025, not being liable to retire by rotation. The result of postal ballot was announced on March 22, 2025. Mr. Gautam Virsadiya was appointed as Scrutiniser to scrutinise the process of postal ballot. The Company has also provided e-voting facility to the shareholders to cast their votes on the resolutions mentioned in postal ballot notice. The Voting results are as follows:

i. Re-appointment of Ms. Geeta Haresh Solanki (DIN: 08212773) as an Independent Director.

Voting Period	Commenced on Thursday, February 20, 2025 at 9:00 am (IST) and ended on Friday, March 21, 2025 at 5:00 pm (IST)
Members as on Cut – off date	43,303
Announcement of Consolidated Results	March 22, 2025
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	28,60,989
Votes in favour of the resolution	28,60,792
Votes against the resolution	197

Procedure for Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the rules framed thereunder and read with various circulars issued by MCA (collectively "MCA Circulars"). Further, except the items as mentioned above, there is no special resolution which was passed through postal ballot. If a resolution is required to be passed by way of postal ballot, the Company will follow the process as per regulatory requirements.

11. DISCLOSURES

Code of Conduct for Prevention of Insider Trading

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

Disclosure on Material Significant Related Party Transactions

During the year, there has been no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have potential conflict with the interest of the Company at large. All related party transactions are placed on quarterly basis before the Audit Committee and also before the Board for approval. Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

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

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

Whistle Blower Policy

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy are available on Company's website at the link: https://armanindia.com/policyncode.aspx → Whistle Blower Policy

Reconciliation of Share Capital Audit Report

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

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

Subsidiary Company

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

Name	Date & Place of Incorporation	Statutory Auditors
Namra Finance Limited	Date of Incorporation: 27/03/2012 Place: Ahmedabad	Samir M. Shah & Associates were appointed as Statutory Auditors of the Company on September 29, 2022.

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

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. There were no complaints / cases filed / pending with the Company during the financial year. During the year under review, there were no complaint i.e. incidences of sexual harassment reported.

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

The Company has obtained the Certificate from the Practising Company Secretary certifying that none of the directors of the Company are debarred or disqualified from being appointed or continuing as directors of Company by SEBI / MCA or any such authority.

Unclaimed Shares lying in the Suspense Account

In terms of Regulation 34 and Schedule V of the SEBI Listing Regulations, the following are the details in respect of Equity Shares lying in the suspense account which were issued in dematerialised form:

Sr. No.	Particulars	No. of shareholders	No. of Equity Shares Outstanding
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, i.e., April 1, 2024.	0	0
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during FY25.	0	0
(iii)	Number of shareholders who approached the Company for transfer of shares from suspense account during FY25.	0	0
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e., March 31, 2025.	0	0

Familiarization Programme

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

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

Strictures and Penalties

No penalties were imposed by any regulatory or statutory authorities during the year.

Breach of Covenant

There was no breach of covenant of loans availed or debt securities issued by the Company as on March 31, 2025.

Divergence in Asset Classification and Provisioning

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

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

Both of the above-mentioned points are not applicable to the Company

12. MEANS OF COMMUNICATION

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

Management Discussion and Analysis forms Part of the Annual Report, which is being sent to the Shareholders of the Company.

13. GENERAL SHAREHOLDER INFORMATION

a) Address for Correspondence

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

(1) Arman's Address

502-503, Sakar III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014, Gujarat
Phone: +91-79-40507000; 27541989, E-mail: finance@armanindia.com
Pursuant to SEBI Listing Regulations, the following Email id has been exclusively designated for communicating investor grievances:
Email Id: secretarial@armanindia.com
Name of Compliance Officer: Mr. Uttam N. Patel
Exclusive Toll free number 18001027626 has been established for the Shareholders for communicating any grievances.

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

Office No S 6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400093, India
Contact No. 022-6263 8200, 08069219060, 08069219061, 08069219065
E-mail: marketing@bigshareonline.com, investor@bigshareonline.com
Website: http://www.bigshareonline.com

b) Details of Debenture Trustee:

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

- IDBI Trusteeship private Limited
  Universal Insurance Building,
  Ground Floor, Sir P.M. Road,
  Fort, Mumbai - 400001
  Email: itsl@idbitrustee.com
  Phone: 022- 40807000

- Vardhman Trusteeship Private Limited
  The Capital, A Wing, 412 A,
  Bandra Kurla Complex (BKC), Bandra (East),
  Mumbai - 400051,
  Maharashtra
  Email: rushabh@vardhmantrustee.com
  Phone: 022-42648335

c) Annual General Meeting

The 33rd Annual General Meeting will be held on Monday, September 29, 2025 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

d) Tentative Financial Calendar

First Quarter results: **August 2025**
Second Quarter results: **November 2025**
Third Quarter results: **February 2026**
Annual results: **May 2026**
Annual General Meeting: **September 2026**

e) Dividend Payment

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

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

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

g) Listing on Stock Exchanges and Security Codes / Symbol

- BSE Limited (BSE) (Security Code: 500420)
  Address: 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India

- National Stock Exchange of India Limited (Symbol: ARMANFIN)
  Address: Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India.

The Non-Convertible Debentures are listed exclusively on BSE Limited.

Annual Listing fee for the year 2025-26 has been paid to both the exchanges. The Company has also paid the Annual Custodial fees to both the depositories.

h) Share transfer system

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

i) Distribution of Shareholding as on March 31, 2025

- **On the basis of Share held:**

SRN	Category (Shares)	Electronic		Physical		Total	
		Shares	% to total shares	Shares	% to total shares	Shares	% to total shares
1	1-500	2021358	19.27	74610	0.71	2095968	19.98
2	501-1000	435614	4.15	8700	0.08	444314	4.24
3	1001-2000	418481	3.99	4300	0.04	422781	4.03
4	2001-3000	236629	2.26	2200	0.02	238829	2.28
5	3001-4000	176557	1.68	0	0.00	176557	1.68
6	4001-5000	103687	0.99	0	0.00	103687	0.99
7	5001-10000	340161	3.24	0	0.00	340161	3.24
8	Above 10000	6668241	63.56	0	0.00	6668241	63.56
	TOTAL	**10400728**	**99.14**	**89810**	**0.86**	**10490538**	**100**

- **On the basis of Category:**

SRN	Category	Total Shareholders	Total Shares	% of Shares
1.	Promoter Group	9	23,14,497	22.06
2.	Elevation Capital V Limited (Foreign Company)	1	11,43,789	10.90
3.	Mutual Funds	2	2,08,197	1.98
4.	Bodies Corporate	308	6,46,639	6.16
5.	Foreign portfolio investor	24	1,25,688	1.20
6.	Central /State Government	1	30	0.00
7.	Public	39,318	45,33,433	43.22
8.	Alternate Investment Funds	10	3,07,550	2.94
9.	IEPF Authority	1	1,98,460	1.89
10.	NRI	1158	7,74,060	7.38
11.	Clearing Members	6	1,26,081	1.21
12.	HUF	560	1,09,533	1.04
13.	Trusts	2	2581	0.02
	Total	**41,400**	**1,04,90,538**	**100.00**

j) Dematerialization of shares and liquidity

The equity shares of the Company are traded compulsorily in the dematerialized form at BSE Limited and National Stock Exchange of India Limited and are under rolling settlement. Approximately 99.14% of the shares have been dematerialized. Shares held by promoters are all in dematerialized form. International Securities Identification Number (ISIN) for the equity share is INE109C01017.

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

k) Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2025

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2025.

l) Employees Stock Option Scheme

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

During the financial year under the review, the Company has allotted 1910 and 300 ordinary equity shares of ₹10/- each on May 16, 2024 and September 18, 2024 respectively to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2016'.

During the financial year under the review, the Company has allotted 11554 ordinary equity shares of ₹10/- each on September 18, 2024 to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2023'.

m) Plant Locations

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

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

o) Credit Ratings

During the year under review, Acuité reviewed the ratings on various bank facilities and debt instrument of the Company and its subsidiary. Acuité has reaffirmed its rating for long term bank facility and debt instruments to "ACUITE A"; (A; outlook Negative).

CARE has reaffirmed its rating for various Non-Convertible Debentures ("NCDs") to "CARE A-"; stable (A minus; outlook stable). CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") of Namra Finance Limited to "CARE A-"; stable (A minus; outlook stable).

The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2024-25. The credit rating details of the Company as on March 31, 2025 were as follows:

Instruments	Name of rating agency	Date of rating	Rating assigned
Bank Loan Ratings	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed
Non-Convertible Debentures (NCD)	CARE Ratings	07-01-2025	CARE A- | Stable | Reaffirmed
Non-Convertible Debentures (NCD)	CARE Ratings	07-01-2025	CARE A- | Stable | Reaffirmed
Securitization (Crest 2025 PTC Series A1)	ICRA	15-04-2025	ICRA A (SO) | Assigned

p) Details of utilization of funds raised

During the year under review, the Company has raised the debt fund from Banks / Financial Institutions and by way of issuance of Non-Convertible Debentures. These debt funds have been utilized for the purpose for which the funds were raised.

q) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

r) Compliance Certificate on Corporate Governance

The Company has complied with all the mandatory requirements specified under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. There has been no non-compliance with any of the requirements of the Corporate Governance Report as specified in sub-paras (2) to (10) of Schedule V read with Regulation 34(3) of the SEBI Listing Regulations. A certificate from the Practicing Company Secretary, Mr. Gautam Virsadiya, affirming compliance with the applicable requirements, is annexed to this Report.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,
The Members,
Arman Financial Services Limited,
Ahmedabad

I have examined the Compliance Conditions of Corporate Governance by Arman Financial Services Limited for the year ended on March 31, 2025 as per para-E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 01, 2024 to March 31, 2025. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366G001000265

Place: Ahmedabad
Date: August 13, 2025

Declaration on adherence to the code of conduct under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the Board Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management of Arman Financial Services Limited for the financial year ended March 31, 2025.

For and on behalf of the Board

Jayendra Patel
Chief Executive Officer
DIN: 00011814

Place: Ahmedabad
Date: August 13, 2025

CEO-CFO CERTIFICATION

Pursuant to Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Jayendra Patel, Vice Chairman and Managing Director (CEO) and Vivek Modi, CFO do hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the financial year ending March 31, 2025 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

D. We have indicated to the auditors and the Audit committee:
   a. significant changes in internal control over financial reporting during the year;
   b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For, Arman Financial Services Limited
Jayendra Patel
(Chief Executive Officer)

For, Arman Financial Services Limited
Vivek Modi
(Chief Financial Officer)

Place: Ahmedabad
Date: August 13, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Arman Financial Services Limited,
(CIN: L55910GJ1992PLC018623)
502-503, Sakar III,
Opp. Old High Court,
Off. Ashram Road,
Ahmedabad - 380 014

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arman Financial Services Limited having CIN-L55910GJ1992PLC018623 and having registered office at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380014 Gujarat, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SRN	Name of Director	DIN	Date of appointment in Company
1.	Alok Prasad	00080225	01/08/2018
2.	Jayendrabhai B. Patel	00011814	28/08/1995
3.	Aalok J. Patel	02482747	30/01/2007
4.	Yash Shah	02155636	02/09/2021
5.	Ritaben J. Patel	00011818	26/11/1992
6.	Aakash J. Patel	02778878	24/10/2000
7.	Ramakant Nagpal*	00073205	24/08/2015
8.	Geeta Haresh Solanki	08212773	01/04/2020
9.	Pinakin Shah#	00007695	14/08/2024

*The tenure of Mr. Ramakant Nagpal was completed on 02/07/2024

#Mr. Pinakin Shah was appointed as an Independent Director w.e.f. 14/08/2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366G001000353

Place: Ahmedabad
Date: August 13, 2025

ANNEXURE-6

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L55910GJ1992PLC018623
2.	Name of the Company	Arman Financial Services Limited
3.	Year of Incorporation	1992
4.	Registered address	502-503 Sakar-III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014
5.	Corporate address	502-503 Sakar-III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014
6.	E-mail	finance@armanindia.com
7.	Telephone	079-40507000
8.	Website	www.armanindia.com
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	10,49,05,380/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Uttam Patel Designation: Company Secretary & Compliance Officer E-mail Id: secretarial@armanindia.com Contact Number: 079-40507000
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of the Assurance Provider	N.A.
15.	Type of assurance obtained	N.A.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial service activities, except insurance and Pension funding	Two-wheeler Finance and MSME Finance and Loan Against Property (LAP)	100.00%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Two-wheeler Loan	64990	11.56%
2.	MSME Loan		86.69%
3.	Loan Against Property (LAP)		1.74%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	N.A.	99	99
International	N.A.	N.A.	N.A.

*includes branches and corporate office as on March 31, 2025.

19. Markets served by the entity:

a) Number of locations:

Location	Number
National (No. of States)	5
International (No. of Countries)	N.A.

b) What is the contribution of exports as a percentage of the total turnover of the entity: Nil

c) A brief on types of customers: Arman Financial Services Limited (AFSL), true to the meaning of its name ('Aspiration' or 'Wish'), bridges the gap between people's aspirations, wishes and reality. A Reserve Bank of India (RBI) registered Non-Banking Finance Company with rural and semi-rural financing at the center of its business model, Arman provides affordable financing with simple, no-hassle loan products. We strive to support small and medium enterprises by providing tailored financial solutions in rural areas, while also offering assistance in the form of two-wheeler loans in rural and urban.

IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	1154	1106	95.84%	48	4.16%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employee (D + E)	1154	1106	95.84%	48	4.16%
	WORKERS					
4.	Permanent (F)	N.A.				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

b) Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	Nil				
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	Nil				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	8	2	25.00%
Key Management Personnel	4	-	-

* Managing director and Joint Managing director are counted in both BOD and KMPs.

22. Turnover rate for permanent employees and workers

	FY 25			FY 24			FY 23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	47.77%	20.97%	46.71%	54.21%	25.53%	53.04%	54.70%	65.00%	55.02%
Permanent Workers	N.A.								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures:

Sr No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Namra Finance Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 185.30 Crore

(iii) Net worth (in ₹): 585.80 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, www.armanindia.com	-	-	NA	-	-	NA
Investors (other than shareholders)		-	-	NA	-	-	NA
Shareholders		4	-	-	6	-	NA
Employees and workers		-	-	NA	-	-	
Customers		9	-	-	8	-	-
Value Chain Partners		-	-	NA	-	-	NA
Other (please specify)		-	-	NA	-	-	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1)	Corporate Governance	Risk & Opportunity	**Risk:** Poor corporate governance practices weaken the company's ability to capitalise business opportunities thereby resulting in financial losses and loss of stakeholder's trust and confidence **Opportunity:** Strong corporate governance will result in increased stakeholder confidence and trust	The Company has well diversified Board, having vast experienced members of different expertise. The Board always strives to achieve the highest standard of good governance in both letter and spirit.	Negative & Positive
2)	Regulatory Compliance	Risk & Opportunity	**Risk:** Violations of regulatory compliance often result in legal punishment, including fines and exclusion **Opportunity:** Legal and regulatory compliance enhances organisational credibility and increase the trust of the various stakeholders	Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks	Negative & Positive
3)	Transparency and Disclosure	Opportunity	Transparency and disclosure help build stakeholder trust, gain investor confidence and long-term business success	N.A.	Positive
4)	Return on Equity/ Return to Shareholders	Opportunity	ROE is a reflection of a company's profitability, financial health and business resilience. A strong ROE helps a business attract investors, gain greater access to capital and create value for stakeholders	N.A.	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5)	Maintenance of Credit Ratings	Opportunity	Strong credit rating helps to borrow funds at much competitive rates which helps the Company to reduce the finance cost	N.A.	Positive
6)	Customer Relationship Management	Opportunity	Maintaining good business relationship with customers helps the Company to retain the customer base in a very competitive business environment	N.A.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://armanindia.com/policyncode.aspx								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The formulation of all policies has been guided by industry best practices and in compliance with regulatory mandates.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company acknowledges its role in creating a positive impact by focusing on investor awareness and corporate social responsibility. We are also in due process to establish protocols to monitor the utilization of resources such as water, paper and electricity consumption. The Company continuously takes measures to align its processes and controls with the principles of sustainable business practices.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company actively monitors and assesses the implementation of its action plan to ensure strict compliance with established norms. As on date, all targets are duly meet.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Arman resides in the heart of India – rural India. Our business is pivoted on uplifting the marginalized section of society. Ever since we started, we have taken small steps that have made a positive difference in the lives of millions. Arman as an organisation has always practiced responsible business operations and ethical corporate behaviour. This is reflected in the Company's growing customer base and improving rating with credit rating agencies. These metrices testify the relevance of the business model and ethical business practices. Having embedded some of the tenets of UN-SDGs (Reduced inequalities, gender equality etc.) since our inception, we remain steadfast on making a meaningful contribution towards a more prosperous and progressive nation. We also look forward to scaling our endeavours in giving back to society and leaving behind a legacy of positive social impact.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Aalok Patel Designation: Joint Managing Director DIN: 02482747								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No								

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other –please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All policies approved by the Board and signed by the official who oversees the implementation of such policies. The Codes have been circulated to Directors and Management Personnel and its compliance is affirmed by them annually as per Regulation 26(3) of the SEBI Listing Regulations.																	
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	The company is in compliance to the extant with regulations as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Evaluation is a continuous process and is done internally. No, external agency was involved for carrying assessment/ evaluation of the working of its policies.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	4	To update about material changes in regulatory framework along with discussion on quarterly financial results through the Board/Committee meetings, also the company carries out familiarization programmes for its directors, as required under the SEBI Listing regulations.	100%
Employees other than BoD and KMPs	140	Business Process, Career Growth, Cashless Collection, Collection, Corrective, Employee Benefit, HR Policy, Induction, IT Tools, Knowledge sharing, Policy Update, Product & Process, Promotional, Quiz, Refresher Training, Skill Development, To Role Training	100%
Workers	NA		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	-	Nil	Nil
Settlement	Nil	Nil	-	Nil	Nil
Compounding Fee	Nil	Nil	-	Nil	Nil

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or nonmonetary action has been appealed: **Not Applicable**

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.

   The Company's anti-corruption or anti-bribery policy is covered under Procedure for Dealing with Cases of Misconduct in Acts of Misconduct of Standing order & Service rules, which is available on the intranet of the organization. https://armanindia.com/policyncode.aspx

   The Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies, codes and charters. All the employees of the Company must adhere to the commitment of integrity and other responsible business conduct principles laid down in Employee Charter.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial year)		FY 2023-24 (Previous Financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **Not Applicable**

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Number of days of accounts payables	Not Applicable	Not Applicable

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Not Applicable

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No). If Yes, provide details of the same.

   Yes, the company has a Code of Conduct policy for Board and KMPs. According to the policy "The Board Members and Senior Management Personnel" of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions".

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	Nil	Nil	Nil

2. a. Does the entity have procedures in place for sustainable sourcing?

   The Company provides financial products and services and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people; hence we do not currently maintain records for sustainable sourcing. However, we nurture a culture of conservation of resources and encourage innovations that aid in reducing the dependence on natural resources.

   b. If yes, what percentage of inputs was sourced sustainably?

   Refer point 2(a) above

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

   Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:

   Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

   Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

   Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

   Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

   Not Applicable

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1106	817	73.87%	817	73.87%	0	N.A	817	73.87%	-	-
Female	48	16	33.33%	16	33.33%	16	33.33%	0	00.00%	-	-
Total	1154	833	72.18%	833	72.18%	16	1.39%	817	70.80%	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Not Applicable

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Cost incurred on well-being measures as a % of total revenue of the company	0.22%	0.32%

2. Details of retirement benefits, for Current Financial year and Previous Financial year.

Benefits	FY 2024-2025 (Current Financial Year)		FY 2023-2024 (Previous Financial Year)	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	100%	Yes
Gratuity	100%	100%	100%	Yes
ESI	28%	28%	29%	Yes
Others	-	-	-	-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company does not have a specific equal opportunity policy in place, but as per our recruitment policy, the Company does not discriminate on any factors like race, religion, caste, gender and any disabilities (Physical disabilities/Intellectual Disability/ Mental Behaviour) etc. https://armanindia.com/policyncode.aspx

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes, the company has Vigil Mechanism/Whistle Blower Policy for this purpose
Other than Permanent Employees	Yes, the company has Vigil Mechanism/Whistle Blower Policy for this purpose

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B/A)
Total Permanent employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	NA			NA		
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1106	1106	100%	1106	100%	913	913	100%	913	100%
Female	48	48	100%	48	100%	38	38	100%	38	100%
Total	1154	1154	100%	1154	100%	951	951	100%	951	100%
Workers										
Male	N.A.									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Performance appraisal was conducted during the year for all the eligible employees as per Company's policies.

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Total Permanent Employees	1154	761	65.94%	951	532	55.94%
- Male	1106	737	66.64%	913	505	55.31%
- Female	48	24	50.00%	38	27	71.05%
Total Permanent Workers	N.A.					
- Male						
- Female						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company is committed towards health & safety of its employees and has undertaken various awareness programmes on safety protocols by conducting periodic trainings on fire safety and evacuation drills, internal communication and alerts are sent out to employees, etc.

The Company strongly pays its emphasis on both, the physical and mental well-being of its employees and has organised various workshops and discussions with well-being experts and medical practitioners. At the workplace, training programmes on the safety of women employees is mandatory for all employees. Further, the employees are covered under the following policies:

- Group Mediclaim Policy
- Group Personal Accident policy
- Work Compensation
- Group term life insurance policy
- Employee State & Insurance policy

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company provides financial solutions and does not engage in manufacturing activities and hence the above is not applicable for us. However, the Company has proper health and safety management system in place as specified above in 10 (a).

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Company has the following non-occupational medical and healthcare services for its employees:

- Group Mediclaim Policy
- Group Personal Accident policy

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-2025	FY 2023-2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Recorded	Not Recorded
	Workers	NA	NA
Total recordable work-related injuries	Employees	Not Recorded	Not Recorded
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Not Recorded	Not Recorded
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Refer 10(a) above

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company periodically reviews and assesses the effectiveness of health and safety practices, working conditions of its offices by its internal team 100%.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective actions pertaining to above mentioned parameters was necessitated by the Company during the year under review.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N): Yes

The Company is having Group term life insurance policy in the event of death of Employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

Not Applicable

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

Gender	Total No. of effected employees/ Workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	
	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed.
Health and safety practices	N.A.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company recognizes and identifies key stakeholders as individuals or groups who are interested, impacted by, or concerned with its current and future activities. Accordingly, our key stakeholders encompass shareholders and investors, customers, government and regulators, value chain partners, employees and the society as a whole.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulators	No	Email, submitting Physical Documents, Meetings	As and when required	To update on various compliances and to seek approvals
Customers	No	Meetings, Visiting their home, Email, SMS, Courier	Ongoing & need based engagement	To provide financial services; making collections and providing customer services
Shareholders & Investors	No	Email, Newspaper, Website, Notice, quarterly con call, Investor Press release and Presentation, Attending Investor Meets and conducting shareholders meeting	Quarterly, Half Yearly and Annually	To inform about quarterly performance, call for meeting and other relevant updates
Employees	No	Letters, Email, Website, Physical / virtual meeting	As and when required	Work related updates, providing awareness programmes
Community	Yes	Implementing CSR programmes	As and when required	To promote social welfare activities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company emphasizes continuous and proactive interaction with its stakeholders to transparently communicate its strategies and achievements. Enabling frequent communication between the board, various stakeholders and community members on social matters has been instrumental in reinforcing our dedication to social responsibility. The Company also has an already existing Stakeholders' Relationship Committee to help with such matters. Audit Committee and the Board are apprised about the outcomes of the interactions and outputs from the resulting activities.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The engagement with stakeholders on a continuous basis plays a crucial role in meeting their expectations and enables our company to better serve their needs. By actively involving our stakeholders, we strive to enhance our understanding of their requirements, foster stronger relationships and ultimately deliver more effective solutions.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Our company is dedicated to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. We have undertaken diverse activities and initiatives that aim to benefit various segments of the society, contributing to their well-being and creating a sustainable and inclusive future.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
Employees						
Permanent	1154	1154	100%	951	951	100%
Other than permanent	0	0	-	0	0	-
Total	1154	1154	100%	951	951	100%
Workers						
Permanent	N.A.			N.A.		
Other than permanent						
Total						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		On Skill upgradation	
		(B) (Number of employees)	% (B/A)	(C) (Number of employees)	% (C/A)		(E) (Number of employees)	% (E/D)	(F) (Number of employees)	% (F/D)
Employees										
Male	1106	411	37.16%	695	62.84%	913	505	55.31%	408	44.69%
Female	48	21	43.75%	27	56.25%	38	27	71.05%	11	28.95%
Total	1154	432	37.44%	722	62.56%	951	532	55.94%	419	44.06%
Workers										
Male	N.A.									
Female										
Total										

3. Details of remuneration/salary/wages,

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in lakhs)	Number	Median remuneration/ salary/wages of respective category (₹ in lakhs)
Board of Directors (BOD)	2*	16.74	-	-
Key Managerial Personnel (KMP)	4	17.86	-	-
Employees other than BOD and KMP	1106	2.79	48	2.13
Workers	-	-	-	-

*Excluding Non-Executive/Independent Directors as no remuneration is paid to them

Note: Managing Director and Joint Managing Director have been counted in both BOD and KMP.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	3%	4%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a regular basis. We have implemented policies and committees to handle human rights-related issues effectively. The Company has a zero-tolerance for all forms of physical, sexual, psychological, or verbal abuse.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	N.A.	Nil	Nil	N.A.
Discrimination at workplace	Nil	Nil	N.A.	Nil	Nil	N.A.
Child Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Forced Labour/Involuntary Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Wages	Nil	Nil	N.A.	Nil	Nil	N.A.
Other human rights related issues	Nil	Nil	N.A.	Nil	Nil	N.A.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, sex, class, religion and background. We promote human rights and ethical business practices. A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company expects all its business partners to adhere to all applicable regulations including human rights

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   We are committed to ensuring full compliance with the Persons with Disabilities Act 2016, as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	Our Company holds the expectation that its value chain partners adhere to the utmost standards of business ethics and principles.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
From renewable sources		
Total electricity consumption (A) (in gigajoules)	0	0
Total fuel consumption (B) (in gigajoules)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	879	695
Total fuel consumption (E)	11336	7952
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	12215	8647
Total energy consumed (A+B+C+D+E+F)	12215	8647
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.67	0.65
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	13.84	13.43
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*For the purpose of calculation of intensity adjusted Purchasing power parity (PPP), conversion factor @20.66 Rs / International Dollar has been considered as per IMF data (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Water withdrawal by source (in kilolitres)		
i. Surface water	The usage of water is restricted to human consumption purposes only which is not accounted. Efforts have been made to ensure that water is consumed judiciously in the office/branch premises.	
ii. Groundwater		
iii. Third party water		
iv. Seawater / desalinated water		
v. Others (Drinking Water)		
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity (KL/FTE)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not applicable, as the organization works in financial domain. The water is used for human consumption only	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others (Drinking Water)		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Nox	Not Applicable		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others– please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit (Metric Ton of CO2e)	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Not Applicable		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 1 and Scope 2emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not Applicable

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	**-**	**-**
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Recycled	NA	NA
ii. Re-used	NA	NA
iii. Other recovery operations	NA	NA
Total	**NA**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i. Incineration	NA	NA
ii. Landfilling	NA	NA
iii. Other disposal operations	NA	NA
Total	**NA**	**NA**

Note: No waste to report for the reporting period.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

    Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The company complies with applicable environmental regulations.				

Leadership Indicators*

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge.

   i. Name of the area:

   ii. Nature of operations:

   iii. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Water withdrawal by source (in kilolitres)		
Surface water	Not applicable, as the organization works in financial domain. The water is used for human consumption only	
Groundwater		
Third party water		
Seawater / desalinated water		
Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water	Not applicable, as the organization works in financial domain. The water is used for human consumption only	
• No treatment		
• With treatment – please specify level of treatment		
ii. To Groundwater		
• No treatment		
• With treatment – please specify level of treatment		
iii. To Seawater		
• No treatment		
• With treatment – please specify level of treatment		
iv. Sent to third-parties		
• No treatment		
• With treatment – please specify level of treatment		
v. Others		
• No treatment		
• With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Digital initiatives for Going Paperless	We promote and encourage extensive use of technology in our everyday lives. Our aim is to significantly bring down the use of paper and fuel by contributing to a healthy environment. As a responsible organization, we are gradually adopting electronic document management and other digital tools to go paperless and go digital	The Company has recently implemented many digital initiatives which has resulted in almost zero usage of papers in the operations of MSME.
2.	Digital Meetings		The Company has started doing review meetings with operational team through virtual mode which has reduced a significant amount of fuel expenses.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a board approved Business Continuity Plan (BCP) in place. The BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. These aim to eliminate or minimise any potential disruption to critical business operations. https://armanindia.com/policyncode.aspx

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Not Applicable

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
   The Company is a member of 1 trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Gujarat Finance Companies Association (GFCA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company actively participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. The Company has actively advocated for and supported the advancement of inclusive development policies to address the needs of underserved and unserved customers. We have actively engaged in representing and lobbying for policies that promote equal opportunities and inclusive growth for those who have been traditionally marginalized or overlooked.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The CSR programs are not eligible for Impact assessment. However, the Company ensures that the CSR activities conducted by the Company are in line with the CSR policy.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Grievances related to customers/community are taken up promptly for resolution/redressal. The Company has a well-defined Customer Grievance Redressal (CGR) mechanism (through toll-free numbers) for ensuring timely redressal. One can also register their query/grievances on Companies website: www.armanindia.com -> Contact -> Customer Grievance Form.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: NA

Materials required for branch purposes are majorly sourced from local vendors, nearby districts and suppliers.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Rural	43%	79%
Semi-urban	17%	-
Urban	7%	21%
Metropolitan	32%	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   b. From which marginalized /vulnerable groups do you procure?

   c. What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   Not Applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups*
1.	Distribution of Cello Water bottle	Approx 67000	100%

PRINCIPLE 9 BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Grievances related to customers are taken up promptly for resolution/redressal. The Company has a well-defined Customer Grievance Redressal (CGR) mechanism (through toll-free numbers) for ensuring timely redressal. One can also register their query/grievances on Companies website: www.armanindia.com -> Contact -> Customer Grievance Form.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable to our products and services
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil					
Advertising						
Cyber-security	Nil					
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	9	Nil	N.A.	8	Nil	N.A.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   The Company has in place a risk management framework which is being undertaken by the Risk Management Committee of the Company on a regular basis. The RMC oversees the risks associated with cyber security, data privacy and IT related issues. https://armanindia.com/policyncode.aspx

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

   Not Applicable

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches - None

   b. Percentage of data breaches involving personally identifiable information of customers - None

   c. Impact, if any, of the data breaches – No Impact

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   www.armanindia.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   All Information related to products offered to customers are available at Company's website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   During the year, there were no major disruptions of critical services. In future, if the need arises, we will inform consumers of any risk of disruption/discontinuation of essential services through Website, Branches, Customer Support Service helpline.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   None of the products withhold any relevant information needed by the customers to make informed decisions.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARMAN FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Arman Financial Services Limited ("Herein after referred to as "the Holding Company"), and its Subsidiary – Namra Finance Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement for Changes in Equity and the Consolidated Statement of Cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Material accounting policies and other explanatory information ("herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of a subsidiary – Namra Finance Limited as were audited by the other auditor, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Key audit matters identified in our audit is in respect of Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2025 the Group has financial assets (loans) amounting to ₹1,68,366.43 Lakhs. As per Ind AS 109 - Financial Instruments, the Group is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2025. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected credit losses. The management has recognized a provision of ₹2,715.30 Lakhs in Consolidated Statement of Profit and Loss for the year ended March 31, 2025. Considering the significance of above matter to the Consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the Consolidated financial statements were reasonable and the related disclosures made by the management were adequate. These procedures included, but not limited, to the following: a) Obtaining an understanding of the model adopted by the Group for calculation of expected credit losses including how management calculated expected credit losses and the appropriate data on which the calculation is based; b) Testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; c) Developing a point estimate by making reference to the ECL recognized by entities that carry comparable financial assets; d) Testing the arithmetical calculation of ECL; e) Verifying the adequacy of the related disclosures; and f) Obtaining written representations from management whether they believe significant assumptions used in calculation of ECL.

OTHER INFORMATION

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, specified under section 143(10) we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its Subsidiary to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Holding Company included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and subsidiary included in the Consolidated Financial Statement regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls with reference to financial statements that we identify during our audit.

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

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

OTHER MATTER

We did not audit the financial statements of a subsidiary Namra Finance Limited included in the consolidated financial Statements, whose financial statements (before consolidation adjustments) reflects total assets of ₹1,59,549.12 lacs as at March 31, 2025 and total revenues (Including Other Income) ₹55,237.94 lacs for the year ended on March 31, 2025, total net profit after tax of ₹784.69 lacs for the year ended March 31, 2025, total comprehensive income of ₹975.09 lacs for the year ended on March 31, 2025 and net cash inflow of ₹1,387.32 lacs for the year ended on March 31, 2025, as considered in the Consolidated Financial Statements. The independent auditor's report on financial statements of this entity has been furnished to us and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the Consolidated Financial Statements, to which reporting under CARO is applicable, we report as under:

   There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on the Financial Statements of the subsidiary, we report to the extent applicable, that

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid Consolidated Financial Statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**; which is based on the auditor's reports of the Holding Company and Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary company incorporated in India:

a) The Consolidated Financial Statement disclose the impact of pending litigations as at 31st March, 2025 on its financial position in its Consolidated Financial Statements – Refer Note 32 to the Consolidated Financial Statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

d) (i) The respective Managements of the Holding Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and that performed by the other auditor of subsidiary, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Holding Company and its subsidiary has not declared or paid any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

f) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act, the Holding Company, its subsidiary company incorporated in India have used accounting software for maintaining their respective books of account for the year ended 31st March, 2025, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, during the course of our audit, we and the other auditor of subsidiary, whose reports have been furnished to us by the Management of the Holding Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating. Additionally, the audit trail has also been preserved by the Holding Company and the subsidiary Company as per the statutory requirements for record retention.

4. With respect to the matter to be included in the Auditor's report under section 197 (16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the auditor's report of a subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to their respective directors is in accordance with the provisions of Section 197 of the Act.

For, **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

Guharoy Ashish Kumar
Partner
Mem. No. 018659
UDIN: 25018659BMOBIN3351

Place: Hyderabad
Date: 29/05/2025

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

on Consolidated Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2025

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls with reference to Consolidated Financial Statements of Arman Financial services Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as 'the Group') as of March 31, 2025 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal financial control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion and based on the consideration of the reports of the other auditor referred to in the Other matter paragraph below, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2025 based on the internal financial control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

We did not audit the internal financial controls with reference to financial statements of a subsidiary Namra Finance Limited, whose financial statements (before consolidation adjustments) reflects total assets of ₹1,59,549.12 lacs as at March 31, 2025 and total revenues (Including Other Income) ₹55,237.94 lacs for the year ended on March 31, 2025, total net profit after tax of ₹784.69 lacs for the year ended March 31, 2025, total comprehensive income of ₹975.09 lacs for the year ended on March 31, 2025 and net cash inflow of ₹1,387.32 lacs for the year ended on March 31, 2025, as considered in the Consolidated Financial Statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For, **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

Guharoy Ashish Kumar
Partner
Mem. No. 018659
UDIN: 25018659BMOBIN3351

Place: Hyderabad
Date: 29/05/2025

Consolidated Balance Sheet

as at 31st March, 2025 (₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	6,775.03	11,859.04
(b) Bank Balance other than (a) above	2	33,566.96	40,613.52
(c) Loans	3	1,68,366.43	2,03,291.17
(d) Investments	4	3,897.15	711.81
(e) Other Financial assets	5	4,157.22	4,102.33
(2) Non-financial Assets			
(a) Deferred tax Assets (Net)	6	2,596.07	1,915.46
(b) Property, Plant and Equipment	7	2,969.13	595.35
(c) Other Intangible assets	7	30.21	29.29
(d) Capital Work-in-progress	7	19.62	-
(e) Right-of-Use Assets	7	105.21	141.48
(f) Other non-financial assets	8	248.62	246.27
Total Assets		**2,22,731.65**	**2,63,505.72**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	9		
(i) total outstanding dues of MSME		52.42	65.68
(ii) total outstanding dues of Non-MSME		71.78	132.88
(b) Debt Securities	10	33,451.09	30,237.05
(c) Borrowings (Other than Debt Securities)	11	88,780.96	1,39,755.71
(d) Subordinated Liabilities	12	1,000.00	2,500.00
(e) Other financial liabilities	13	11,147.22	8,125.74
(2) Non-Financial Liabilities			
(a) Provisions	14	321.74	258.88
(b) Current Tax Liabilities (Net)	15	202.28	722.60
(c) Other non-financial liabilities	16	262.84	438.61
(3) EQUITY			
(1) Equity Share capital	17	1,049.05	1,047.68
(2) Other Equity	18	86,392.27	80,220.89
Total Liabilities and Equity		**2,22,731.65**	**2,63,505.72**
See accompanying notes to the financial statements	**1 to 45**		

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & MD
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2025 (₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(1)	**Revenue from operations**			
	Interest income	19	61,887.31	59,308.18
	Gain on Assignment of Financial Assets	20	4,039.37	3,690.31
	Fees and Commission Income	21	2,560.67	2,330.29
	Net gain on fair value changes	22	841.95	816.88
	Net Gain on Sale of financial instrument	23	3,675.00	-
	Total Revenue from operations (1)		**73,004.30**	**66,145.66**
(2)	Other income	24	0.09	7.11
(3)	**Total Income (1+2)**		**73,004.39**	**66,152.77**
(4)	**Expenses**			
	Finance Costs	25	23,936.10	26,547.49
	Impairment of Financial Assets	26	26,410.14	6,509.36
	Employee Benefits Expenses	27	11,233.71	7,159.48
	Depreciation, amortization and impairment	28	179.07	142.37
	Others expenses	29	4,336.15	2,985.12
	Total Expenses (4)		**66,095.17**	**43,343.82**
(5)	**Profit / (loss) before tax (3-4)**		**6,909.22**	**22,808.95**
(6)	**Tax Expense:**			
	(1) Current tax	30	2,311.20	5,974.30
	(2) Short / (excess) Provision of Income Tax of earlier years	30	131.87	38.47
	(3) Deferred tax	30	(741.17)	(561.10)
(7)	**Profit/(loss) for the period (5-6)**		**5,207.32**	**17,357.28**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined Benefit Obligations plan		26.41	(6.88)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.65)	1.73
	Subtotal (A)		**19.76**	**(5.15)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI		214.22	770.32
	(ii) Income tax relating to items to be reclassified to profit or loss		(53.92)	(193.87)
	Subtotal (B)		**160.30**	**576.45**
	Other Comprehensive Income (A + B)		**180.06**	**571.30**
(9)	**Total Comprehensive Income for the period (7+8)**		**5,387.38**	**17,928.58**
(10)	**Earnings per equity share**			
	Basic (₹)	31	49.67	195.00
	Diluted (₹)	31	49.26	192.76
	See accompanying notes to the financial statements	**1 to 45**		

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2025

(A) Equity share capital (Refer Note 17)

FY 2024-25

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2024	Changes in equity share capital due to prior period errors	Restated Balance as at 31st March, 2024	Changes during the year	Balance as at 31st March, 2025
Ordinary equity share capital	1,047.68	-	1,047.68	1.38	1,049.05

FY 2023-24

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2023	Changes in Equity share capital due to prior period errors	Restated Balance as at 31st March, 2023	Changes during the year	Balance as at 31st March, 2024
Ordinary equity share capital	849.23	-	849.23	198.44	1,047.68

(B) Other equity (Refer note 18)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment		
FY 2024-25								
Balance as at March 31, 2024	-	173.36	8,613.30	39,225.40	31,691.06	657.27	(139.50)	80,220.89
Profit for the year	-	-	-	-	5,207.32	-	-	5,207.32
Other comprehensive income (net of taxes)	-	-	-	-	-	-	180.07	180.07
Total Comprehensive Income for the period	-	-	-	-	5,207.32	-	180.07	5,387.39
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	1,021.00	-	(1,021.00)	-	-	-
Transferred during the year in securities premium	-	-	-	300.10	-	(242.61)	-	57.49
Transfer during the year in General Reserve	-	11.00	-	-	(11.00)	-	-	-
Share based payment to employees (ESOP)	-	-	-	-	-	726.50	-	726.50
Balance as at March 31, 2025	-	184.36	9,634.30	39,525.50	35,866.38	1,141.16	40.57	86,392.27

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2025

(B) Other equity (Refer note 18) (contd.)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment		
FY 2023-24								
Balance as at March 31, 2023	6,383.05	162.36	5,088.30	6,903.37	17,869.78	23.75	(710.79)	35,719.82
Profit for the year	-	-	-	-	17,357.28	-	-	17,357.28
Other comprehensive income (net of taxes)	-	-	-	-	-	-	571.29	571.29
Total Comprehensive Income for the period	-	-	-	-	17,357.28	-	571.29	17,928.57
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	3,525.00	-	(3,525.00)	-	-	-
Additions during the year in securities premium	(6,375.65)	-	-	33,021.84	-	(8.72)	-	26,637.47
Transfer during the year in General Reserve	-	11.00	-	(699.80)	(11.00)	-	-	(699.80)
Transferred to liability component	(7.41)	-	-	-	-	-	-	(7.41)
Share based payment to employees (ESOP)	-	-	-	-	-	642.24	-	642.24
Balance as at March 31, 2024	-	173.36	8,613.30	39,225.40	31,691.06	657.27	(139.50)	80,220.89

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Place: Ahmedabad
Date: 29th May, 2025

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
A: Cash from Operating Activities:				
Net profit before taxation		6,909.22		22,808.95
Adjustment For:				
Depreciation and amortisation	142.79		113.77	
Depreciation on Right of Use Assets	36.27		28.59	
Interest Income	(61,887.31)		(59,308.18)	
Net gain on equity instruments measured through FVTPL	(61.59)		(46.81)	
Finance cost Expense	23,936.10		26,547.49	
Provision for impairment on financial assets	2,715.30		2,555.00	
Net Loss on Derecognition of Intangible Assets	-		0.24	
(Profit) / loss on sale of property, plant and equipment	(0.09)		(7.35)	
Gain On Assignment of Assets (Net of Expense)	(4,039.36)		(3,690.30)	
Loss / (Profit) on sale of Current Investment	(780.35)		(770.07)	
Remeasurement of define benefit plan	26.40		(6.88)	
Employee Stock Option Plan Expense	726.49	(39,185.35)	642.24	(33,942.26)
Operating profit before working Capital changes:		**(32,276.13)**		**(11,133.31)**
Adjustment For Increase / (Decrease) in Operating Assets:				
Loans and Advances	32,423.67		(50,391.96)	
Financial Assets	4,688.56		2,336.01	
Non Financial Assets	(2.36)		(125.77)	
Bank balance other than Cash and Cash equivalents	7,046.56		(203.85)	
Adjustment For Increase/(Decrease) in Operating Liabilities:				
Trade Payables	(74.35)		46.08	
Other Non Financial liability	(175.78)		82.91	
Other Financial Liabilities	3,900.19		2,022.07	
Subordinated Debts	(500.00)		(79.76)	
Provision	62.85	47,369.34	59.17	(46,255.10)
Cash Generated From Operations		**15,093.21**		**(57,388.41)**
Interest Income Received	61,183.23		59,448.74	
Finance Cost Paid	(24,031.55)		(26,551.01)	
Income tax paid	(2,963.38)	34,188.30	(5,749.72)	27,148.01
Net Cash From Operating Activities:		**49,281.51**		**(30,240.40)**
B: Cash Flow From Investing Activities:				
Purchase of Property, Plant & Equipment	(2,537.16)		(237.45)	
Sale of Property, Plant & Equipment	0.14		22.46	
Purchase of investments	(97,469.54)		(92,524.01)	
Sale of investments	95,126.14		94,577.01	
Net Cash from Investment Activities:		**(4,880.42)**		**1,838.01**

Consolidated Statement of Cash Flow (contd.)

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
C: Cash Flow From Financing Activities:				
Proceeds from issue of share capital (including Premium)	58.88		23,000.60	
Share Issue Expense	-		(699.80)	
Proceeds from long term borrowings	65,118.72		1,77,083.10	
Repayment of borrowings	(97,721.15)		(1,65,761.45)	
Repayment of CCD	-		(998.11)	
Net increase / (decrease) in working capital borrowings	(16,903.91)		5,044.35	
Repayment of Principal Component of Lease Liability (Net)	(37.64)		(29.37)	
Net Cash from Financing Activities:		**(49,485.10)**		**37,639.32**
Net Increase/(Decrease) in Cash & Cash Equivalents		**(5,084.01)**		**9,236.93**
Cash & cash equivalents at the beginning of the year		11,859.04		2,622.11
Cash & cash equivalents at the end of the year		6,775.03		11,859.04

Notes :

1 Cash and bank balance at the end of the year comprises:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash on hand	269.66	102.15
Balance with Bank	6,505.37	11,756.89
Cash & cash equivalents as per Balance Sheet	**6,775.03**	**11,859.04**

2 The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 Change in liabilities arising from financing activities:

Particulars	31st March, 2024	Cash Flows	Non Cash Changes	31st March, 2025
Debt Securities	30,237.05	3,032.17	181.88	33,451.09
Borrowing other than debt Securities	1,39,755.71	(51,538.51)	563.75	88,780.96
Total	**1,69,992.76**	**(48,506.34)**	**745.63**	**1,22,232.05**

As per our report of even date attached herewith

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

For, **Arman Financial Services Limited**

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Notes forming part of the Consolidated Financial Staements

for the year ended 31st March, 2025

1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Holding Company") together with its subsidiary Namra Finance Limited (herein after referred to as the "the Group") are public companies domiciled in India. The Holding Company is registered as a non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI") and according to RBI Notification DoR.FIN.REC.No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). Namra Finance Limited is registered as a non-deposit taking Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI") and is classified as middle layer NBFC ("NBFC-ML"). The Group is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW"), Loan again property ("LAP") and Micro Finance JLG Loans. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Holding Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of of compliance and principle of Consolidation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

Principle of Consolidation

i) Subsidiaries: -

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-Controlling Interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2025. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country	Ownership Held By	% of holding and Voting Power as at March 31, 2025	% of holding and Voting Power as at March 31, 2024
Namra Finance Limited	Subsidiary Company	India	Arman Financial Services Limited	100%	100%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI") and

ii) Defined benefit plans - plan assets

iii) Investments in liquid marketable debt securities and units of mutual fund

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees which is the currency of the primary economic environment in which the Group operates (the "functional currency"). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.15.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.4 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c. managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d. The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

iii) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investments in Mutual Funds

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

B. Financial liability

i) Initial recognition and measurement

All financial liability is initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended March 31, 2025 and March 31, 2024.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Group recognises revenue from contracts with customers based on a five steps model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 5 years

iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (five years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Retirement and other employee benefits Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life insurance corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.15 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.16 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.17 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.18 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group . As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

1	Cash and Cash Equivalents	As at 31st March, 2025	As at 31st March, 2024
	Cash on hand	269.66	102.15
	Balance with banks	6,505.37	11,756.89
	Total	**6,775.03**	**11,859.04**

2	Other Bank Balance	As at 31st March, 2025	As at 31st March, 2024
	In fixed deposit accounts:		
	Deposits given as security against borrowings	8,832.79	14,497.10
	Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	22,452.52	25,373.09
	Other Deposits (i.e., free from any encumbrance)	3,344.94	1,526.61
	Earmarked balances with banks (Refer Note 2.1)	4.32	15.58
	Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(1,067.61)	(798.86)
	Total	**33,566.96**	**40,613.52**

2.1 Earmarked balance with banks represents ₹4.32 Lakhs (As at March 31, 2024 ₹15.58 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

2.2 Deposits includes deposits of ₹22,452.52 Lakhs (P.Y. ₹25,373.09 Lakhs) given to bank for Overdraft facility. Overdraft utilized of ₹5,708 Lakhs.

3	Loans	As at 31st March, 2025	As at 31st March, 2024
	At Amortised Cost:		
	Inter Corporate Deposit		
	Secured by Tangible Asset	2,271.26	-
	Unsecured	500.00	-
	At FVOCI:		
	Secured by Tangible Asset	10,411.89	7,825.95
	Unsecured Loans	1,68,400.30	2,05,531.62
	Less: Impairment Loss Allowances	(11,742.52)	(9,016.42)
		1,69,840.93	**2,04,341.15**
	Less: Interest Due but not Received on Loans and Advances (Note No. 5)	(1,474.50)	(1,049.98)
	Total	**1,68,366.43**	**2,03,291.17**
	(1) Loans In India		
	Public Sector	-	-
	Others	1,68,366.43	2,03,291.17
		1,68,366.43	**2,03,291.17**
	(2) Loans Outside India	-	-
	Total	**1,68,366.43**	**2,03,291.17**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31st March, 2023	**1,55,161.37**	**1,729.09**	**4,474.76**	**1,61,365.23**
New Assets originated*	1,91,643.46	2,058.62	1,385.46	1,95,087.54
Net transfer between stages				
Transfer from stage 1	(6,995.43)	2,488.13	4,507.30	-
Transfer from stage 2	22.04	(288.18)	266.14	-
Transfer from stage 3	1.42	0.39	(1.81)	-
Assets derecognised or collected	1,36,869.81	728.55	1,836.37	1,39,434.73
Write - offs	1,362.09	723.68	2,624.67	4,710.45
Gross carrying amount as at 31st March, 2024	**2,01,600.96**	**4,535.82**	**6,170.81**	**2,12,307.59**
New Assets originated*	1,41,091.16	2,762.83	859.42	1,44,713.41
Net transfer between stages				
Transfer from stage 1	(12,242.65)	6,788.19	5,454.46	-
Transfer from stage 2	37.31	(146.62)	109.31	-
Transfer from stage 3	2.54	3.45	(5.99)	-
Assets derecognised or collected	1,49,189.65	1,994.96	1,532.51	1,52,717.11
Write - offs	16,635.44	2,538.51	5,020.99	24,194.94
Gross carrying amount as at 31st March, 2025	**1,64,664.23**	**9,410.20**	**6,034.51**	**1,80,108.95**

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at 31st March, 2023	**1,818.72**	**638.93**	**4,223.68**	**6,681.33**
Addition During the Year	2,103.33	1,394.30	5,565.23	9,062.85
Reversal During the Year	(1,859.13)	(623.27)	(4,245.36)	(6,727.76)
ECL Allowances as at 31st March, 2024	**2,062.92**	**1,409.96**	**5,543.55**	**9,016.42**
Addition During the Year	2,813.32	4,169.14	5,564.19	12,546.65
Reversal During the Year	(2,287.71)	(1,476.07)	(6,056.77)	(9,820.55)
ECL Allowances as at 31st March, 2025	**2,588.53**	**4,103.03**	**5,050.97**	**11,742.52**

Note: Increase in ECLs of the portfolio was driven by moderate credit performance in disbursement and movements within stages. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2025, the Company has written off (net) ₹23694.84 Lakhs. The Total ECL provision of ₹11742.52 Lakhs on Loans and Advances is retained by the company as at 31st March, 2025. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

3.3 Loans secured by hypothecation of assets (vehicles) are secured by hypothecation of the assets (vehicles) under finance. In the opinion of the Board, the market value of the hypothecated assets (vehicle) as on Balance Sheet date is more than the amount of loan outstanding.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

4	Investments (At Cost)	As at 31st March, 2025	As at 31st March, 2024
	At Fair Value Through Profit & Loss (FVTPL)		
	In Mutual Funds		
	SBI Magnum Gilt Fund Regular Growth (6,48,523.25 Units As at 31.03.25, 6,48,523.25 Unit As at 31.03.24)	423.67	388.91
	SBI Magnum Medium Duration Fund Regular Growth (6,98,053.50 Units as at 31.03.25, 6,98,053.50 Unit As at 31.03.24)	349.73	322.90
	In Security Receipt		
	Security Receipt of ARC ₹1,000 Each (Market Value ₹1,000) (3,12,375 Unit as at 31.03.25, Nil Unit as at 31.03.24)	3,123.75	-
		3,897.15	**711.81**
	(1) Investment In India	3,897.15	711.81
	(2) Investment outside India	-	-
	Total	**3,897.15**	**711.81**

4.1 Investments represents investments of ₹773.4 lakhs (P.Y. ₹711.81 lakhs) given as collateral security against borrowing from Financial Institution.

5	Other Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Interest Due but not Received on Loans and Advances (Note No. 3)	1,474.51	1,049.98
	Interest accrued but not due on Bank Deposits (Note No. 2)	1,067.61	798.86
	Deposits	42.21	28.90
	Income Receivable from Direct Assignment	2,120.70	1,928.87
	Advance given for Land Acquisition	-	1,043.33
	Insurance Claim Receivable	187.80	-
	Other Advances	12.22	11.02
	Less: Provision on Interest Receivable on Credit Impaired Loans and Advances	(747.83)	(758.63)
	Total	**4,157.22**	**4,102.33**

5.1 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

Particulars	As at 31st March, 2025	As at 31st March, 2024
ECL Allowances As at beginning of the year	**758.63**	**538.72**
Addition During the Year	740.63	691.03
Reversal During the Year	(751.43)	(471.12)
ECL Allowances As at end of the year	**747.83**	**758.63**

5.2 There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

6	Deferred Tax	As at 31st March, 2025	As at 31st March, 2024
A	**Deferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	80.98	65.15
	Amortisation of Processing Fees Income	524.71	561.44
	Shares issue expenses that are allowable for tax purpose on deferred basis	2.37	3.56
	Recognition of lease liability and right to use asset	3.73	-
	Fair valuation of financial instruments through Other Comprehensive Income	(20.83)	33.09
	Impairment on Financial Assets	3,031.45	2,403.10
	Total Deferred Tax Assets	**3,622.41**	**3,066.34**
B	**Deferred Tax Liability on Account of:**		
	Difference in written down value as per Companies Act and Income Tax Act	(14.52)	(16.19)
	Financial liabilities measured at amortised cost	(258.86)	(446.52)
	Interest Receivable on NPA	(188.21)	(190.93)
	Fair valuation of Investment in Mutual Fund	(27.28)	(11.78)
	Direct Assignment Income Receivable -DA	(537.47)	(485.46)
	Total Deferred Tax Liabilities	**(1,026.34)**	**(1,150.88)**
	Total Asset/(Liability) (Net)	**2,596.07**	**1,915.46**

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at 31st March, 2024	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2025
Assets				
Provision for employee benefits that are allowable for tax purpose in the year of payment	65.15	22.47	(6.64)	80.98
Amortisation of Processing Fees Income	561.44	(36.73)	-	524.71
Shares issue expenses that are allowable for tax purpose on deferred basis	3.56	(1.19)	-	2.37
Impairment on Financial Assets	2,403.10	628.35	-	3,031.45
Recognition of lease liability and right to use asset (Net)	-	3.73	-	3.73
Fair valuation of financial instruments through Other Comprehensive Income	33.09	-	(53.92)	(20.83)
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(16.19)	1.67	-	(14.52)
Financial liabilities measured at amortised cost	(446.52)	187.66	-	(258.86)
Interest Receivable on NPA Assets	(190.93)	2.72	-	(188.21)
Fair valuation of Investment in Mutual Fund	(11.78)	(15.50)	-	(27.28)
Direct Assignment Income Receivable -DA	(485.46)	(52.01)	-	(537.47)
Total Asset/(Liability) (Net)	**1,915.46**	**741.17**	**(60.56)**	**2,596.07**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	As at 31st March, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2024
Assets				
Provision for employee benefits	50.26	13.16	1.73	65.15
Share Issue Expense that are allowable for tax purpose in the year of payment	430.58	130.86	-	561.44
Impairment on financial asset	5.32	(1.76)	-	3.56
Financial assets measured at amortised cost	1,711.68	691.42	-	2,403.10
Fair valuation of financial instruments through OCI	226.96	-	(193.87)	33.09
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(13.77)	(2.42)	-	(16.19)
Financial liabilities measured at amortised cost	(340.38)	(106.14)	-	(446.52)
NPA Interest Receivable	(135.58)	(55.35)	-	(190.93)
Fair valuation of Investment in Mutual Fund	(0.22)	(11.56)	-	(11.78)
Direct Assignment Income Receivable -DA	(388.34)	(97.12)	-	(485.46)
Total Asset/(Liability) (Net)	**1,546.51**	**561.09**	**(192.14)**	**1,915.46**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

7 Property, Plant & Equipment

Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Land	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At 31st March, 2023	**136.39**	**194.62**	**71.70**	**255.80**	**247.79**	**-**	**906.30**	**86.53**	**992.83**	**179.40**
Addition	-	61.42	25.90	85.76	60.01	-	233.09	4.36	237.45	76.05
Disposal	-	20.64	14.75	71.71	88.13	-	195.23	7.35	202.58	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March, 2024	**136.39**	**235.41**	**82.85**	**269.84**	**219.67**	**-**	**944.16**	**83.54**	**1,027.70**	**255.44**
Addition	-	56.59	20.53	5.35	73.42	2,350.65	2,506.54	11.19	2,517.73	-
Disposal	-	-	0.88	-	-	-	0.88	-	0.88	-
Other Adjustment	-	-	-	0.19	-	-	0.19	-	0.19	-
At 31st March, 2025	**136.39**	**292.00**	**102.50**	**275.00**	**293.09**	**2,350.65**	**3,449.63**	**94.73**	**3,544.36**	**255.44**
Accumulated Depreciation	**Buildings**	**Furniture & Fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Land**	**Total Property, Plant & Equipment**	**Intangible Assets**	**Total Assets**	**Right of Use Assets**
At 31st March, 2023	**25.16**	**93.78**	**51.64**	**78.68**	**174.77**	**-**	**424.03**	**52.49**	**476.52**	**85.37**
Charge for the year	2.16	18.14	14.63	30.81	39.16	-	104.90	8.87	113.77	28.59
Disposal	-	18.21	13.84	64.01	84.06	-	180.12	7.11	187.23	-
At 31st March, 2024	**27.32**	**93.71**	**52.43**	**45.48**	**129.87**	**-**	**348.81**	**54.25**	**403.06**	**113.96**
Charge for the year	2.15	24.08	18.03	33.38	54.88	-	132.52	10.28	142.80	36.27
Disposal	-	-	0.83	-	-	-	0.83	-	0.83	-
At 31st March, 2025	**29.47**	**117.79**	**69.63**	**78.86**	**184.75**	**-**	**480.50**	**64.53**	**545.03**	**150.23**
Net Carrying Value	**Buildings**	**Furniture & Fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Land**	**Total Property, Plant & Equipment**	**Intangible Assets**	**Total Assets**	**Right of Use Assets**
At 31st March, 2024	**109.08**	**141.70**	**30.41**	**224.36**	**89.80**	**-**	**595.35**	**29.29**	**624.64**	**141.48**
At 31st March, 2025	**106.93**	**174.21**	**32.87**	**196.14**	**108.34**	**2,350.65**	**2,969.13**	**30.21**	**2,999.33**	**105.21**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

7.1 A Capital Working in Progress aging schedule :

Capital Working in Progress	31st March, 2025				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	19.62	-	-	-	19.62
Projects temporarily suspended	-	-	-	-	-

Capital Working in Progress	31st March, 2024				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

7.1 B For Capital Working in Progress, whose completion is overdue or has exceeded its cost compared to its original plan :

Capital Working in Progress	31st March, 2025				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Capital Working in Progress	31st March, 2024				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note. 31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

8	Other Non - Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Prepaid Expenses	43.25	35.81
	Balance with Government Authorities	145.43	120.68
	Advances to staff	18.16	8.69
	Advance to Suppliers	41.78	81.09
	Total	**248.62**	**246.27**

9	Trade Payables	As at 31st March, 2025	As at 31st March, 2024
	Total outstanding dues of micro enterprises and small enterprises	52.42	65.68
	Total outstanding dues of other than micro enterprises and small enterprises	71.78	132.88
	Total	**124.20**	**198.56**

9.1 Trade Payable ageing schedule :

As on 31st March, 2025	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	52.42	-	71.78
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on 31st March, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	65.68	-	132.88
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

9.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
1	Principal amount payable to suppliers as at year end	52.42	65.68
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

10	Debt Securities (At Amortised Cost)	As at 31st March, 2025	As at 31st March, 2024
	Secured Debenture (Refer note 10.1)		
	11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. Nil Unit, P.Y. 300 Unit)	-	1,000.00
	11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. Nil Unit, P.Y. 2500 Unit)	-	2,500.00
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 200 Unit)	-	2,000.00
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55
	10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil)	4,980.00	-
	8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit)	1,225.00	3,675.00
	11.95% Secured, Redeemable, Non Convertible Debenture of ₹45,454 Each (4,000 Unit as at 31.03.25, 4,000 Unit as at 31.03.24)	1,818.16	3,272.72
	11% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹1,00,000 Each (7,500 Units as at 31.03.2025, Nil Unit as at 31.03.2024)	7,500.00	-
	11.95% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹1,00,000 Each (1,750 Units as at 31.03.2025, Nil Unit as at 31.03.2024)	1,750.00	-
	11.20% Secured, Unlisted, Redeemable, Non Convertible Debenture of ₹500 Each (Nil Unit as at 31.03.25, 2,22,654 Unit as at 31.03.24)	-	1,113.27
	12.20% Secured, Unlisted, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (4,028 Unit as at 31.03.25, 4,028 Unit as at 31.03.24)	4,028.00	4,028.00
	11.60% Secured, Unlisted Redeemable, Non Convertible Debenture of ₹10,000 Each (45,650 Unit as at 31.03.25, 45,650 Unit as at 31.03.24)	4,565.00	4,565.00

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

10	Debt Securities (At Amortised Cost)	As at 31st March, 2025	As at 31st March, 2024
	Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (Nil Unit as at 31.03.25, 68 Unit as at 31.03.24)	-	680.00
	Less: Unamortised borrowing costs	(275.67)	(457.54)
	Total Debt Securities	**33,451.09**	**30,237.05**
	Debt Securities in India	33,451.09	30,237.05
	Debt Securities Outside India	-	-
	Total	**33,451.09**	**30,237.05**

10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. Nil Unit, P.Y. 300 Unit)	-	1,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 200 Unit)	-	2,000.00	100% on 04-04-2024	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. Nil Unit, P.Y. 2500 Unit)	-	2,500.00	100% on 27-07-2024	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil)	4,980.00	-	100% on 25-01-2026	Secured Under Hypothecation of Specific Assets Portfolio
8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit)	1,225.00	3,675.00	Repayable in 8 quarterly installments starting from 19-10-2023	Secured Under Hypothecation of Specific Assets Portfolio

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
Market Linked Secured, Redeemable, Non Convertible Debenture	-	680.00	Repayment of ₹3,000 Lakhs on 29th March 2024 and ₹680 Lakhs to be repaid on 31st October 2024	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture	-	1,113.27	50 % of the Principal amount repaid on 11th March 2024 remaining 49.99 % will be repaid 11th March 2025 and the remaining 0.01% will be repaid on maturity date i.e. 2 plus 2 years	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture	4,028.00	4,028.00	99.99% of the Principal Amount will be repaid on 26th June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture	4,565.00	4,565.00	99.99% of the Principal Amount will be repaid on 08 May 2025 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 13th June 2027	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture of ₹45,454 Each	1,818.16	3,272.72	-	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture	9,250.00	-	-	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	**33,726.76**	**30,694.59**		

11 Borrowings (at Amortized Cost)	As at 31st March, 2025	As at 31st March, 2024
Term Loans		
Secured		
From Banks	51,314.48	72,622.65
From Financial Institutions	32,511.32	45,837.74
Less: Unamortised borrowing costs	(752.84)	(1,316.59)
Total	**83,072.96**	**1,17,143.80**
Loans repayable on demand from banks	-	10.54
Overdraft from banks - Secured against Fixed Deposit	5,708.00	22,601.37
Total Borrowings	**88,780.96**	**1,39,755.71**
Borrowings in India	88,780.96	1,39,755.71
Borrowings Outside India	-	-
Total	**88,780.96**	**1,39,755.71**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

11.1 Security :-

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance".

11.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 10% to 15.00% p.a.

11.3 The Company has not defaulted in repayment of borrowings and interest.

11.4 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

11.5 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
A. Borrowings (Other than Debt Securities)				
1. Loans repayable From Banks				
Term Loan From Bank - 1	1,185.19	-	Repayable in 27 monthly installments starting from 30 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 2	2,000.00	-	Repayable in 27 monthly installments starting from 21 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 3	812.50	-	Repayable in 24 monthly installments starting from 05 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 4	-	600.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Term Loan From Bank - 5	111.11	333.33	Repayable in 27 monthly installments starting from 07 June 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 6	-	495.07	Repayable in 26 Months Monthly installments starting From 31st August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 7	-	331.75	Repayable in 37 Months Monthly installments starting From 20 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Bank - 8	-	151.50	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 9	-	151.50	Repayable in 35 Months Monthly installments starting From 7 october 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 10	-	447.90	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 11	-	416.66	Repayable in 36 Months Monthly installments starting From 23 September 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 12	-	432.79	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 13	54.55	766.86	Repayable in 24 Months Monthly installments starting From 21 January 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 14	297.32	1,497.11	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 15	0.68	993.16	Repayable in 26 Monthly installments starting From 14th February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 16	126.19	298.27	Repayable in 36 Monthly installments starting From 15th october 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 17	360.71	1,090.95	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 18	-	933.33	Repayable in 30 Monthly installments starting From 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 19	-	555.56	Repayable in 28 Monthly installments starting From 28 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Bank - 20	133.33	666.67	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 21	-	95.24	Repayable in 24 Monthly installments starting From 30 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 22	149.94	349.89	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 23	149.69	347.70	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 24	166.43	366.66	Repayable in 36 Monthly installments starting From 18 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 25	-	248.19	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 26	1,615.21	4,000.00	Repayable in 36 Monthly installments starting From 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 27	-	750.00	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 28	668.67	1,394.83	Repayable in 36 Monthly installments starting From 10 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 29	0.00	416.67	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 30	-	374.99	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 31	333.33	1,133.33	Repayable in 36 Monthly installments starting From 31 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Bank - 32	-	11.88	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 33	67.72	88.12	Repayable in 36 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 34	1,632.71	2,996.36	Repayable in 24 Monthly installments starting From 18 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 35	625.00	1,125.00	Repayable in 36 Monthly installments starting From 31 May 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 36	907.03	1,712.41	Repayable in 30 Monthly installments starting From 24 Nov 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 37	924.68	1,607.80	Repayable in 36 Monthly installments starting From 28 Sep 2021	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 38	1,474.69	2,998.26	Repayable in 24 Monthly installments starting From 19 Feb 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 39	666.44	1,000.00	Repayable in 36 Monthly installments starting From 14 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 40	1,454.82	2,291.67	Repayable in 36 Monthly installments starting From 28 NOV 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 41	155.55	466.67	Repayable in 24 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 42	1,090.91	2,727.27	Repayable in 24 Monthly installments starting From 29 Nov 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 43	1,590.91	3,500.00	Repayable in 24 Monthly installments starting From 31 Jan 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 44	600.00	1,100.00	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 45	1,749.13	3,499.97	Repayable in 24 Monthly installments starting From 29 Jan 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 46	375.00	1,875.00	Repayable in 27 Monthly installments starting From 7 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Bank - 47	937.50	1,500.00	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 48	1,533.33	2,000.00	Repayable in 36 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 49	896.02	1,499.93	Repayable in 36 Monthly installments starting From 30 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 50	41.67	541.67	Repayable in 27 Monthly installments starting From 12 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 51	125.00	375.00	Repayable in 27 Monthly installments starting From 22 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 52	3,111.26	6,178.00	Repayable in 36 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 53	1,249.99	2,000.00	Repayable in 27 Monthly installments starting From 19 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 54	499.79	833.32	Repayable in 36 Monthly installments starting From 5 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 55	666.67	1,666.67	Repayable in 24 Monthly installments starting From 1 Dec 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 56	2,121.43	3,939.37	Repayable in 36 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 57	-	1,378.64	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 58	-	2,619.04	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 59	-	1,450.69	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 60	2,750.00	-	Repayable in 36 Monthly installments starting From 17 Dec 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 61	1,446.59	-	Repayable in 36 Monthly installments starting From 29 Aug 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Bank - 62	1,022.73	-	Repayable in 24 Monthly installments starting From 30 june 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 63	2,187.50	-	Repayable in 24 Monthly installments starting From 28 Apr 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 64	3,370.37	-	Repayable in 24 Monthly installments starting From 27 Feb 2025	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 65	1,500.00	-	Repayable in 27 Monthly installments starting From 14 Apr 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 66	2,374.81	-	Repayable in 24 Monthly installments starting From 25 Oct 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 67	3,000.38	-	Repayable in 26 Monthly installments starting From 21 April 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 68	1,000.00	-	Repayable in 26 Monthly installments starting From 12 Feb 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Total Term Loans From Banks	**51,314.48**	**72,622.65**		
2. Loans repayable From Financial Institution				
Term Loan From Financial Institution - 1	-	50.69	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 2	9.72	126.39	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 3	4.17	54.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 4	9.72	126.39	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 5	4.17	54.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 6	-	142.86	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 7	-	142.86	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 8	37.50	487.50	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 9	452.80	850.67	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution - 10	-0.00	827.16	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 11	320.83	870.83	Repayable in 24 monthly installments starting from 01 July 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 12	694.45	-	Repayable in 36 monthly installments starting from 30 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 13	708.33	-	Repayable in 24 monthly installments starting from 30 July 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 14	924.95	-	Repayable in 24 monthly installments starting from 10 December 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 15	2,395.83	-	Repayable in 24 monthly installments starting from 31 January 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 16	1,444.22	-	Repayable in 24 monthly installments starting from 10 February 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution - 17	5,205.72	-	Repayable in 20 monthly installments starting from 25 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 18	1,363.60	2,272.72	Repayable in 36 monthly installments starting from 27 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 19	1,000.00	-	Repayable in 24 monthly installments starting from 28 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 20	263.89	430.55	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 21	263.89	430.55	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 22	-	375.00	Repayable in 36 Monthly installments starting From 29 Dec 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 23	-	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 24	-	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 25	-	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 26	-	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 27	-	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 28	-	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 29	-	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 30	-	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 31	-	700.00	Repayable in 36 Months Monthly installments Stating From 22 Oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 32	-	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 33	-	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 34	-	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 35	-	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 36	-	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 37	-	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 38	-	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 39	-	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 40	-	71.43	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 41	-	71.43	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 42	-	119.05	Repayable in 24 Months Monthly installments Stating From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 43	-	95.24	Repayable in 24 Months Monthly installments Stating From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 44	133.33	666.67	Repayable in 27 Months Monthly installments Stating From 15 feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 45	-	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 46	-	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 47	-	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 48	-	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 49	-	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 50	-	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 51	-	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 52	-	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 53	-	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 54	-	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 55	-	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 56	-	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 57	-	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 58	-	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 59	-0.00	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 60	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 61	-	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 62	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 63	-	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 64	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 65	-	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 66	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 67	-	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 68	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 69	-	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 70	-	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 71	-	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 72	-	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 73	-	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 74	-	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 75	-	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 76	-	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 77	-	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 78	-	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 79	-	375.00	Repayable in 24 Monthly installments starting From 29th Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 80	-	465.61	Repayable in 24 Monthly installments from 22 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 81	0.16	549.49	Repayable in 24 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 82	-	346.24	Repayable in 25 Monthly installments starting From 29 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 83	-	1,601.86	Repayable in 24 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 84	-	1,619.85	Repayable in 24 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 85	-	1,062.51	Repayable in 24 Monthly installments starting From 29 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 86	0.50	532.90	Repayable in 24 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 87	833.34	1,666.67	Repayable in 36 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 88	-	1,010.74	Repayable in 24 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 89	-	800.00	Repayable in 27 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 90	-	185.97	Repayable in 24 Monthly installments starting From 22 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 91	749.98	1,500.00	Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 92	729.17	2,479.17	Repayable in 27 Monthly installments starting From 29 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution - 93	-	588.08	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 94	83.33	333.33	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 95	83.33	333.33	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 96	-	1,046.99	Repayable in 15 Monthly installments starting From 1 Jul 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 97	-	618.36	Repayable in 16 Monthly installments starting From 1 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 98	459.70	1,468.26	Repayable in 24 Monthly installments starting From 14 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 99	592.59	1,481.48	Repayable in 27 Monthly installments starting From 29 JULY 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 100	1,166.71	2,916.67	Repayable in 26 Monthly installments starting From 29 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 101	2,833.42	4,833.34	Repayable in 36 Monthly installments starting From 11 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 102	1,800.00	3,000.00	Repayable in 36 Monthly installments starting From 27 Oct 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 103	1,900.00	3,000.00	Repayable in 36 Monthly installments starting From 23 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 104	2,916.67	-	Repayable in 36 Monthly installments starting From 24 JUL 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 105	1,200.00	-	Repayable in 24 Monthly installments starting From 28 Mar 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 106	1,925.30	-	Repayable in 24 Monthly installments starting From 15 JAN 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loan From Financial Institution	**32,511.32**	**45,837.74**		
B. Loans repayable on demand from banks				
Cash Credit Facility From Bank - 1	-	10.54	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Overdraft Facilty on Fixed Deposit - 2	-	62.57	-	Secured by a first and exclusive charge Bank Deposits
Overdraft Facilty on Fixed Deposit - 3	2,841.29	2,515.96	-	Secured by a first and exclusive charge Bank Deposits
Overdraft Facilty on Fixed Deposit - 4	2,331.11	1,546.39	-	Secured by a first and exclusive charge Bank Deposits
Overdraft Facilty on Fixed Deposit - 5	97.24	7,116.76		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facilty on Fixed Deposit - 6	(42.50)	2,727.73		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facilty on Fixed Deposit - 7	481.86	2,182.80		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facilty on Fixed Deposit - 8	(1.00)	-		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facilty on Fixed Deposit - 9	-	4,666.79		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facilty on Fixed Deposit - 10	-	1,782.37		Secured by a first and exclusive charge on specific Fixed Deposits
Total Loans repayable on demand from banks	**5,708.00**	**22,611.91**		

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

12	Subordinated Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Unsecured:		
	15%, Unsecured Subordinated Term Loan in India	1,000.00	2,500.00
	Unsecured Subordinated Debt outside India	-	-
	Total	**1,000.00**	**2,500.00**

12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:

Sr. No.	Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
1.	Subordinated Term Loan From Bank 1	-	500.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured
2.	Subordinated Term Loan From Bank 2	-	1,000.00	Single Bullet Payment at the end of 84 Months from 23rd June, 2017	Unsecured
3.	Subordinated Term Loan From Bank 3	1,000.00	1,000.00	50% Payment at the end of 66 Months from 30th Nov, 2021 & remaining 50% Payment at the end of 72 Months from 30th Nov, 2021	Unsecured

13	Other Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Interest accrued but not due on Borrowings	1,025.41	1,866.48
	Interest Payable on CCD	-	-
	Payable to Employees	855.13	86.03
	Security deposits received from Borrowers	28.06	28.06
	Micro Insurance Payable	680.70	680.40
	Hospicash Insurance Payable	390.09	498.54
	Other Insurance Payable	122.07	116.33
	CSR expenses payable	43.72	8.26
	Other Expenses Payable	204.54	106.37
	Unpaid dividend	4.32	7.32
	Payable toward assignment and transactions	7,673.15	4,570.28
	Lease Liability - Right of Use Assets	120.03	157.67
	Total	**11,147.22**	**8,125.74**

13.1 Unpaid dividend outstanding as on March 31, 2025 is not due for transfer to investor education and protection fund by the Company.

14	Provisions	As at 31st March, 2025	As at 31st March, 2024
	Provisions for employee benefits - Gratuity	321.74	258.88
	Total	**321.74**	**258.88**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

15	Current Tax (Net)	As at 31st March, 2025	As at 31st March, 2024
	Provision for Tax	3,366.27	5,931.31
	Less: Advance Tax and TDS	(3,163.99)	(5,208.71)
	Total	**202.28**	**722.60**

16	Other Non Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Other statutory dues	123.53	94.96
	TDS payable	139.31	343.65
	Total	**262.84**	**438.61**

17	Equity Share Capital	As at 31st March, 2025	As at 31st March, 2024
	Authorized Shares		
	1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2024: 1,40,00,000 Equity Shares of ₹10/- each)	1,400.00	1,400.00
	Total	**1,400.00**	**1,400.00**
	Issued, subscribed and fully paid-up shares:		
	Equity Shares of (As at March 31, 2024: 1,04,76,774 Equity Shares) of ₹10/- each fully paid up (Ordinary)	1,049.05	1,047.68
	Total	**1,049.05**	**1,047.68**

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2025 & March 31, 2024 is set out below:

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	1,04,76,774	1,047.68	84,92,334	849.23
Issued during the year	13,764	1.37	19,84,440	198.45
Outstanding at the end of the year	**1,04,90,538**	**1,049.05**	**1,04,76,774**	**1,047.68**

17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Elevation Capital V Limited	11,43,789	10.90%	14,48,740	13.83%
Namra Holdings & Consultancy Services LLP	9,48,308	9.04%	9,48,308	9.05%

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows:

Promotor Name	As at 31st March, 2025		As at 31st March, 2024		% Change during the Year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Jayendrabhai Patel	4,27,937	4.08%	4,27,937	4.08%	-0.0054%
Jayendrabhai Patel HUF	1,96,000	1.87%	1,96,000	1.87%	-0.0025%
Amit Rajnikant Mankiwala	10,000	0.10%	10,000	0.10%	-0.0001%
Ritaben Patel	4,36,089	4.16%	4,36,089	4.16%	-0.0055%
Himani Amit Mankiwala	6,238	0.06%	6,479	0.06%	-0.0024%
Aalok Jayendrabhai Patel	2,47,809	2.36%	2,47,809	2.37%	-0.0031%
Maulik Amit Mankiwala	800	0.01%	800	0.01%	0.0000%
Sajni Aalok Patel	41,316	0.39%	41,316	0.39%	-0.0005%
Namra Holdings and Consultancy Services LLP	9,48,308	9.04%	9,48,308	9.05%	-0.0119%

17.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 38.

17.5 Terms / rights attached to equity shares

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

18	Other Equity (Refer Note 18.1)	As at 31st March, 2025	As at 31st March, 2024
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	173.35	162.35
	Add: Transfer from statement of profit and loss	11.00	11.00
	Closing Balance	**184.35**	**173.35**
	ii. Special Reserve u/s 45-IC of the RBI Act,1934		
	Balance as per last financial statement	8,613.30	5,088.30
	Add: Transfer from statement of profit and loss	1,021.00	3,525.00
	Closing Balance	**9,634.30**	**8,613.30**
	iii. Securities Premium		
	Balance as per last financial statement	39,225.40	6,903.36
	Add: Share Premium on shares issued during the year	300.11	33,021.84
	Less: Share Issue Expenses	-	699.80
	Closing Balance	**39,525.51**	**39,225.40**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

18	Other Equity (Refer Note 18.1)	As at 31st March, 2025	As at 31st March, 2024
	iv. Share Based Payment Reserve		
	Balance as per last financial statements	657.27	23.75
	Add/(Less): Stock option expenditure for the year	823.47	661.43
	Less: amount transferred towards option expired unexercised	96.97	19.19
	Less: Reversal of ESOP reserve on exercised option of stock option	242.61	8.72
	Closing Balance	**1,141.16**	**657.27**
	v. Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	31,691.06	17,869.78
	Add: Profit for the year	5,207.32	17,357.28
	Less: Appropriations		
	Amount transfer to General Reserve	(11.00)	(11.00)
	Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(1,021.00)	(3,525.00)
	Closing Balance	**35,866.38**	**31,691.06**
	B. Other Comprehensive Income		
	Balance as per last financial statement	(139.50)	(710.79)
	Additions during the year	180.07	571.29
	Closing Balance	**40.57**	**(139.50)**
	C. Equity Component of Financial Instruments:		
	i. Equity Component of Compulsory Convertible Debentures		
	Balance as at the beginning of the period	-	6,146.73
	Transactions with owners in their capacity as owners	-	-
	Transferred to liability component	-	(7.41)
	Transferred to Security Premium	-	(6,139.32)
	Closing Balance	**-**	**-**
	ii. Equity component of Optionally Convertible Redeemable Preference shares		
	Balance as at the beginning of the period	-	236.33
	Transactions with owners in their capacity as owners	-	-
	Transferred to Security Premium	-	(236.33)
	Closing Balance	**-**	**-**
	Total	**86,392.27**	**80,220.89**

18.1 Nature and Purpose of Reserve

1 Reserve u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

3 **Surplus in the statement of profit and loss:**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 **FVOCI - loans and advances:**

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 **FVOCI - Remeasurement of the defined benefit liabilities:**

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 **General reserve**

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 **Share Based Payment Reserve:**

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

18.2 Disclosures in relation to Compound Instruments:

Disclosures for Optionally Convertible Redeemable Preference shares

		As at 31st March, 2025	As at 31st March, 2024
A	**Authorized Shares**		
	Authorized Shares		
	10,00,000 Preference Shares of ₹10/- each (As at March 31, 2024: 10,00,000 Preference Shares of ₹10/- each)	100.00	100.00
	Total	**100.00**	**100.00**
B	**Issued, subscribed and fully paid-up shares:**		
	Nil Preference Shares of ₹10/- each (As at March 31, 2024: Nil Preference Shares of ₹10/- each)	Nil	Nil
	Total	**Nil**	**Nil**

C **The reconciliation of no. of preference shares outstanding & amount of preference share capital as at March 31, 2025 & March 31, 2024 is set out below:**

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Ordinary Preference Shares:				
Outstanding at the beginning of the year	-	-	3,10,972.00	31.10
Issued during the year	-	-	-	-
Converted during the year	-	-	3,10,972.00	31.10
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

D **Details of shareholders holding more than 5 % of preference shares of the Company are as follows:**

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares

E **Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares**

Particulars	As at 31st March, 2025	As at 31st March, 2024
Equity shares reserved for issue under option	Nil	Nil

19 Interest Income

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest on Loans	59,073.38	-	56,322.91	-
Interest on Deposits as Security	-	2,776.68	-	2,985.27
Interets on Others	-	37.25	-	0.00
Total	**59,073.38**	**2,813.93**	**56,322.91**	**2,985.27**
Total Interest		**61,887.31**		**59,308.18**

20 Gain on Assignment of Financial Assets

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Gain on Assignment of Assets (Net of Expense)	4,039.37	3,690.31
Total	**4,039.37**	**3,690.31**

21 Fees and Commission Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Loan Processing fees Income	2,234.77	1,803.85
Service Fees and facilitation Charges	224.21	413.20
Other Fees and Charges	101.69	113.24
Total	**2,560.67**	**2,330.29**

22 Net gain on fair value changes

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Income from Investment in Mutual Fund at FVTPL	61.59	46.81
Profit on Sale of Investment	780.36	770.07
Total	**841.95**	**816.88**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

23 Net Gain on Sale of financial instrument

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net Gain on Sale of financial instrument	3,675.00	-
Total	**3,675.00**	**-**

24 Other Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net gain on Derecognition of PPE & Intangible Assets	0.09	-
Other Incomes	-	7.11
Total	**0.09**	**7.11**

25 Finance Costs (on financial liabilities measured at amortized cost)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest on Borrowings	11,992.43	15,685.97
Interest on Debt Securities	4,126.97	3,941.01
Interest on Subordinated Liabilities	203.31	376.34
Other interest expense	5,750.38	4,745.36
Other Borrowing Costs	1,853.95	1,790.66
Interest Expense on Lease Liability	9.06	8.15
Total	**23,936.10**	**26,547.49**

26 Impairment of Loan Assets (on financial assets measured at FVOCI)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Bad debts written off (Net)	23,694.84	3,954.36
Expected Credit Loss Provision (Net):		
On Financial assets measured at FVOCI	2,701.30	2,555.00
On Financial assets measured at Amortised Cost	14.00	-
Total	**26,410.14**	**6,509.36**

26.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

27 Employee Benefit Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries and wages	9,295.69	5,731.52
Share Based Payment	726.50	642.24
Contribution to provident and other funds	724.63	497.75
Gratuity	105.93	73.30
Staff welfare expenses	380.96	214.67
Total	**11,233.71**	**7,159.48**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

27.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund and employee state insurance aggregating ₹724.63 lakhs (March 31, 2024: ₹497.75 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

The status of gratuity plan required under Ind AS 19 is as under:

i)

Reconciliation of opening and closing balances of defined benefit obligation	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening Defined Benefit Obligation	258.91	199.73
Transfer in/(out) obligation	-	-
Current service cost	88.31	60.84
Interest cost	17.62	13.19
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	8.56	1.80
Due to change in demographic assumption	-	-
Due to experience adjustments	(34.97)	4.35
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(16.67)	(21.00)
Closing Defined Benefit Obligation	**321.76**	**258.91**

ii)

Reconciliation of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening value of plan assets	0.02	0.02
Transfer in/(out) plan assets	-	-
Expense deducted from the fund	-	-
Interest Income	0.00	0.73
Return on plan assets excluding amounts included in interest income	0.00	(0.73)
Assets Distributed on settlements	-	-
Contribution by the company	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	**0.02**	**0.02**

iii)

Reconciliation of net defined benefit liability	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net opening provision in books of accounts	258.88	199.71
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	105.93	73.30
Amounts recognized in Other Comprehensive Income	(26.40)	6.88
Total	**338.41**	**279.89**
Benefits paid by the Company	(16.67)	(21.01)
Contributions to plan assets	-	-
Closing provision in books of accounts	**321.74**	**258.88**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

iv)

Composition of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Government of India Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Policy of Insurance	100%	100%
Total	**100%**	**100%**

v)

Expense recognised during the year	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current service cost	88.31	60.84
Interest cost	17.62	12.46
Past service cost	-	-
Expense recognised in the statement of profit and loss	**105.93**	**73.30**

vi)

Other comprehensive income	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	8.56	1.80
Due to change in demographic assumptions	-	-
Due to experience adjustments	(34.97)	4.35
Return of plan assets excluding amounts included in interest income	(0.00)	0.73
Components of defined benefits cost recognised in other comprehensive income	**(26.41)**	**6.88**

vii)

Principal actuarial assumptions	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Discount rate (per annum)	7.15%	7.30%
Rate of return on plan assets (per annum)	7.36%	8.00%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25%	25%
26 to 35	25%	25%
36 to 45	20%	20%
46 to 55	10%	10%
56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

viii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	329.99	313.95	265.10	253.02
(% change compared to base due to sensitivity)	2.56%	-2.43%	2.39%	-2.27%
Salary growth rate (- / + 0.5%)	313.94	329.91	252.97	265.11
(% change compared to base due to sensitivity)	-2.43%	2.53%	-2.30%	2.40%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R. x 110%)	329.96	313.95	263.78	254.16
(% change compared to base due to sensitivity)	2.55%	-2.43%	1.88%	-1.84%

ix) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

x) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 5 years.

Particulars	Cash flows (₹ Lakhs)	Distributions(%)
1st Following year	55.46	11.54%
2nd Following year	41.95	8.73%
3rd Following year	41.54	8.65%
4th Following year	42.14	8.77%
5th Following year	42.41	8.83%
Sum of years 6 to 10	134.73	28.05%

The future accrual is not considered in arriving at the above cash-flows.

xi) The expected contribution for the next year is ₹110.05 lakhs

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

28 Depreciation & Amortisation

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation of Property, Plant & Equipment	132.52	104.90
Amortization of Right of use Asset	36.27	28.59
Amortisation of Intangible Asset	10.28	8.88
Total	**179.07**	**142.37**

29 Other Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Electricity & fuel charges	88.39	69.58
Repairs to Building	27.26	19.64
Insurance	149.44	30.31
Collection Expense	83.39	70.09
Rent	592.34	396.41
Rates & taxes	74.83	60.12
Bank Charges	54.12	33.01
Stationery & printing	92.97	71.04
Advertisement expenses	0.71	1.05
Communication	82.20	31.97
Traveling & conveyance expenses	1,600.25	1,176.31
Professional fees	805.13	553.35
Auditor's Remuneration		
Audit fees	18.17	15.72
For certification	1.27	5.16
For Others	0.43	-
	19.87	20.88
Corporate social responsibility expenditure (Refer Note 32)	267.50	121.49
Director sitting fees	**8.88**	**8.28**
Marketing & incentive expenses	100.04	118.37
General charges (including security charges & membership fees etc.)	288.83	203.22
Total	**4,336.15**	**2,985.12**

30 Tax Expenses

The Components of income tax expense for the Year ended March 31, 2025 and March 31, 2024 are:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current Tax	2,311.20	5,974.30
Adjustment in respect of current tax of prior years	131.87	38.47
Deferred tax	(741.17)	(561.10)
Total Tax Expense	**1,701.90**	**5,451.67**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Total tax charge		
Current Tax	2,443.07	6,012.77
Deferred Tax	(741.17)	(561.10)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2025 and March 31, 2024 is, as follows:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Accounting profit before tax expense	6,909.22	22,808.95
Income tax rate %	25.168%	25.168%
Computed tax expense	**1,738.91**	**5,740.56**
Tax effect of:		
Exempted Items	(876.03)	(861.47)
Additional deduction	(1,008.84)	(626.44)
Non Deductible items	642.51	326.53
Adjustment on Account of Change in Tax Rate	(0.71)	(1.06)
Others	1,206.06	873.55
Tax expense Recognised in the Statement of Profit and Loss	**1,701.90**	**5,451.67**
Difference	0.00	0.00
Effective Tax Rate	**24.63%**	**23.90%**

31 Earnings per share:

Particulars		31st March 2025	31st March 2024
Numerator used for calculating Basic Earning per share (PAT)	In ₹	5,207.32	17,357.28
Numerator used for calculating Diluted Earning per share (PAT)	In ₹	5,207.32	17,357.28
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	**1,04,84,781**	**89,00,944**
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares	86,578	1,03,641
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	**1,05,71,359**	**90,04,585**
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	49.67	195.00
Diluted earnings per share	In ₹	49.26	192.76

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

32. Contingent liabilities not provided for :

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Contingent liabilities		
(A) Guarantees given on behalf of subsidiary company:		
a) To banks		
Amount of guarantees	50,600.00	78,280.00
Amount of loans outstanding	15,325.12	43,955.14
(B) Disputed Demand of Tax		
i) Income Tax Act	1,562.09	787.33
ii) TDS	-	-
iii) GST	3.34	3.34
(C) Commitments:		
Land Acquisition	-	1,171.00

33. Corporate Social Responsibility ("CSR") expenses:

The gross amount required to be spent by the Group during the year towards CSR is ₹265.31 lakhs (March 31, 2024: ₹120.06 lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Sr. No.	Particulars	In Cash*	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	223.77	43.72	-	267.49

*Out of ₹223.77 Lakhs spent, ₹2.51 Lakh pertains to excess amount spent in previous financial year.

34. Leasing Arrangements:

The Group has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I. Amount Recognized in Profit & loss Account During the year

Particulars	March 31, 2025	March 31, 2024
i) Expenses related to Short Term Lease	592.34	396.40
ii) Lease Expenses (Interest Expense - Finance Cost)	9.06	8.15
iii) Depreciation charge for right-of-use assets	34.14	28.59
Total	**635.54**	**433.14**

II. Amounts recognised in statement of cash flows (including Interest Component)

Particulars	March 31, 2025	March 31, 2024
Total cash outflow for leases	46.70	37.52

III. Additions to right-of-use assets

Particulars	March 31, 2025	March 31, 2024
Addition to Right of used assets added	-	76.04

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

IV. Maturity analysis of lease liabilities

Particulars	March 31, 2025	March 31, 2024
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	28.15	46.70
After one year but not more than five years	114.35	142.49
More than five years	-	-
Total undiscounted lease liabilities	**142.50**	**189.19**
Balances of Lease Liabilities		
Non-Current	98.66	120.03
Current	21.37	37.64
Total Lease Liability	**120.03**	**157.67**

35. Segment Reporting:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

Mr. Jaimish Patel (Company Secretary)

B) Other Directors and relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. Yash K Shah	Independent Director
Mr. Ramakant Nagpal (Resigned on 02/07/2024)	Independent Director
Mrs. Geetaben Solanki	Independent Director
Mrs. Ritaben Patel	Non Executive Director
Mr. Aakash Patel	Non Executive Director
Mr. Pinakin Shah (Appointed on 14/08/2024)	Independent Director
Jayendra Patel (HUF)	Key Managerial personnel is Karta
Mrs. Sajni Patel	Close Member of Key Managerial Personnel
Aalok Patel (HUF)	Key Managerial personnel is Karta
Aakash Patel (HUF)	Director is Karta

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

C) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year

Name of Party	Related party Relationship
Namra Holdings & Consultancy Services LLP	Key Managerial Personnel is partner
Raj Enterprise	Key Managerial personnel is proprietor
J. B. Patel & Co.	Key Managerial personnel is co-owner
Arman Foundation	Key Managerial personnel is Trustee

D) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended March 31, 2025 (₹ in Lakhs)			
	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Expenses				
Remuneration & perquisites Paid	197.53	-	-	197.53
Sitting fees	-	8.89	-	8.89
Interest expenses	58.00	76.89	102.13	237.02
Rent paid	-	21.45	-	21.45
CSR Expenses	-	-	63.27	63.27
Unsecured Loan				
Unsecured Loan Taken	487.94	599.57	795.50	1,883.01
Unsecured Loan Repaid (Including Interest)	545.94	676.45	897.63	2,120.02

Particulars	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Expenses				
Remuneration & perquisites Paid	182.13	-	-	182.13
Sitting fees	-	8.28	-	8.28
Interest expenses	40.33	52.67	85.87	178.87
Rent paid	-	20.45	-	20.45
CSR Expenses	-	-	80.63	80.63
Unsecured Loan				
Unsecured Loan Taken	346.40	394.82	689.46	1,430.68
Unsecured Loan Repaid (Including Interest)	386.72	447.49	775.33	1,609.54

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

E) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

Unsecured loan taken (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Aakash Patel (HUF)	254.97	232.72
2	Aalok PATEL	13.00	8.97
3	Aalok PATEL (HUF)	2.10	2.07
4	Jayendra Patel	474.94	337.43
5	Jayendra Patel (HUF)	29.50	26.73
6	Namra Holdings & Consultancy Services LLP	760.00	656.30
7	Raaj Enterprise	35.50	33.16
8	Ritaben Patel	313.00	133.30

Unsecured Loan Repayments: (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Aakash Patel (HUF)	288.89	264.29
2	Aalok PATEL	14.47	10.16
3	Aalok PATEL (HUF)	2.39	2.36
4	Jayendra Patel	531.47	376.57
5	Jayendra Patel (HUF)	33.40	30.29
6	Namra Holdings & Consultancy Services LLP	857.31	737.73
7	Raaj Enterprise	40.32	37.60
8	Ritaben Patel	351.76	150.56

Remuneration & Perquisites Paid: (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Aalok Patel	55.62	51.34
2	Jaimish Patel	13.23	11.74
3	Jayendra Patel	81.25	77.62
4	Vivek Modi	39.51	41.42
5	Chirag Vora	7.92	-

Interest expenses (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Aakash Patel (HUF)	33.93	31.56
2	Aalok Patel	1.47	1.19
3	Aalok Patel (HUF)	0.29	0.29
4	Jayendra Patel	56.53	39.14
5	Jayendra Patel (HUF)	3.90	3.56
6	Namra Holdings & Consultancy Services LLP	97.31	81.43
7	Raaj Enterprise	4.82	4.44
8	Ritaben Patel	38.76	17.26

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Sitting fees Paid (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Alok Prasad	2.48	2.08
2	Geetaben Solanki	0.81	0.85
3	Ramakant Nagpal	0.57	2.33
4	Ritaben Patel	1.91	1.80
5	Yash Shah	1.86	1.23
6	Pinakin Shah	1.27	-

Rent paid (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	J. B. Patel & Co.	0.20	0.21
2	Ritaben Patel	16.47	18.51
3	Mrs. Sajni Patel	2.39	2.28
4	Aakash Patel (HUF)	2.39	2.28

CSR Expenses (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Arman Foundation	63.27	80.63

F) Outstanding Credit Balance of Salary Payable as Follows (₹ In Lakhs)

SRN	Name of Relative	2024-25	2023-24
1	Jayendra Patel	-	-
2	Aalok Patel	-	-
3	Vivek Modi	-	-
4	Jaimish Patel	-	-

G) Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows: (₹ In Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Post-employment benefits	12.59	12.12
Share Based Payment	48.03	37.43
Total	**60.62**	**49.55**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

37. There have been no events after the reporting date that require disclosure in these financial statements.

38. Stock Option Scheme

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023' ("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2025, Company has granted 12,350 new stock options under the scheme of ESOP 2023 (P.Y. 1,000 and 1,48,600 options granted under the scheme of ESOP 2016 and ESOP 2023, respectively).

Details of grant and exercise of such options are as follows:

Schemes	Tranches	No. of options granted	Date of grant	No of Employees	F.Y.	No. of employees who have exercised the option	No. of options exercised
ESOP-2016	ESOP-2016 -1	97,500	May 26, 2017	55	2018-19	49	27,645
					2019-20	48	26,595
					2020-21	45	34,340
	ESOP-2016 -2	9,000	May 25, 2018	3	2019-20	2	2,400
					2020-21	2	2,400
					2021-22	2	3,200
	ESOP-2016 -3	2,500	October 13, 2018	1	2019-20	1	750
					2020-21	1	750
	ESOP-2016-4	3,500	Feb 12, 2021	6	2022-23	5	750
					2023-24	4	645
					2024-25	4	860
	ESOP-2016-5	2,000	Feb 14, 2022	2	2023-24	2	600
					2024-25	1	300
	ESOP-2016-6	4,500	Feb 14, 2023	2	2024-25	1	750
	ESOP-2016-7	1,000	Aug 14, 2023	1	2024-25	1	300
ESOP-2023	ESOP-2023-1	1,48,600	Aug 14, 2023	730	2024-25	497	11,554
	ESOP-2023-2	12,350	Aug 14, 2024	30	2024-25	-	-

Key terms and conditions related to the grant of the stock options are as follows:

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of board meeting, where ESOP were approved	11 August 2016
Date of committee meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,20,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 30% End of 1 Year
	2. 30% End of 2 Years
	3. 40% End of 3 Years
	Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Particulars	ESOP 2023
Date of Grant	August 14, 2023 and August 14, 2024
Date of board meeting, where ESOP were approved	May 30, 2023
Date of committee meeting where grant of options were approved	August 14, 2023 and August 14, 2024
Date of Shareholder's approval	July 4, 2023
No. of options granted	1,60,950 out of 3,00,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 10% End of 1 Year
	2. 20% End of 2 Years
	3. 30% End of 3 Years
	4. 40% End of 4 Years
Exercise period	It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options

Details of Vesting and Exercise of Options Scheme:

Vesting Date	ESOP-2016		ESOP-2023	
	Vested Options	No of Option Exercised	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645	-	-
May 25, 2019	2,700	2,400	-	-
May 26, 2019	28,485	26,595	-	-
October 13, 2019	750	750	-	-
May 25, 2020	34,660	34,340	-	-
May 26, 2020	2400	2400	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Vesting Date	ESOP-2016		ESOP-2023	
	Vested Options	No of Option Exercised	Vested Options	No of Option Exercised
October 13, 2020	750	750	-	-
May 24, 2021	3200	3200	-	-
February 12, 2022	1,050	750	-	-
February 11, 2023	750	645	-	-
February 13, 2023	600	600	-	-
February 11, 2024	860	860	-	-
February 13, 2024	1050	1050	-	-
August 13, 2024	300	300	11,810	11,554

The following table sets forth a summary of ESOP schemes:

Particulars	ESOP-2016		ESOP-2023	
	2024-25	2023-24	2024-25	2023-24
Options outstanding at the beginning of the year	5,060	8,250	1,27,040	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	-	1,000	12,350	1,48,600
Forfeited during the year	-	-	-	-
Exercised during the year	2,210	1,245	11,554	-
Lapsed during the year	-	2,945	14,880	21,560
Outstanding at the end of the year	2,850	5,060	1,12,956	1,27,040
Exercisable at the end of the year	1,150	1,910	256	-
Weighted average exercise price per option	₹50/-	₹50/-	₹500/-	₹500/-

Share options outstanding at the end of the year have the following contractual expiry date and exercise options:

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding	
					As at 31st March, 2025	As at 31st March, 2024
ESOP-2016-4	12-Feb-21	1,400	11-Feb-24	50	-	860
ESOP-2016-5	14-Feb-22	600	13-Feb-24	50	-	300
	14-Feb-22	800	13-Feb-25	50	400	400
ESOP-2016-6	14-Feb-23	1,350	13-Feb-24	50	-	750
	14-Feb-23	1,350	13-Feb-25	50	750	750
	14-Feb-23	1,800	13-Feb-26	50	1,000	1,000
ESOP-2016-7	14-Aug-23	300	13-Aug-24	50	-	300
	14-Aug-23	300	13-Aug-25	50	300	300
	14-Aug-23	400	13-Aug-26	50	400	400
ESOP-2023-1	14-Aug-23	14,860	13-Aug-24	500	256	12,704
	14-Aug-23	29,720	13-Aug-25	500	22,300	25,408
	14-Aug-23	44,580	13-Aug-26	500	33,450	38,112
	14-Aug-23	59,440	13-Aug-27	500	44,600	50,816
ESOP-2023-2	14-Aug-24	1,235	13-Aug-25	500	1,235	-
	14-Aug-24	2,470	13-Aug-26	500	2,470	-
	14-Aug-24	3,705	13-Aug-27	500	3,705	-
	14-Aug-24	4,940	13-Aug-28	500	4,940	-
			Total		1,15,806	1,32,100

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Measurement of fair values

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

Tranches	Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value of option
ESOP-2016-4	12-Feb-21	11-Feb-24	50.97%	50	729.9	5.00%	687.15
ESOP-2016-5	14-Feb-22	13-Feb-24	50.97%	50	747.65	4.93%	702.61
	14-Feb-22	13-Feb-25	50.97%	50	747.65	5.40%	705.43
ESOP-2016-6	14-Feb-23	13-Feb-24	22.02%	50	1,511.00	7.93%	1,465.25
	14-Feb-23	13-Feb-25	22.02%	50	1,511.00	7.31%	1,468.18
	14-Feb-23	13-Feb-26	22.02%	50	1,511.00	7.39%	1,471.30
ESOP-2016-7	14-Aug-23	13-Aug-24	45.00%	50	2,308.00	7.07%	2,261.81
	14-Aug-23	13-Aug-25	45.00%	50	2,308.00	7.29%	2,265.16
	14-Aug-23	13-Aug-26	45.00%	50	2,308.00	7.31%	2,268.20
ESOP-2023-1	14-Aug-23	13-Aug-24	45.00%	500	2,308.00	7.28%	1,876.55
	14-Aug-23	13-Aug-25	45.00%	500	2,308.00	7.31%	1,909.50
	14-Aug-23	13-Aug-26	45.00%	500	2,308.00	7.33%	1,941.18
	14-Aug-23	13-Aug-27	45.00%	500	2,308.00	7.33%	1,970.87
ESOP-2023-2	14-Aug-24	13-Aug-25	45.00%	500	1,798.40	6.85%	1,348.14
	14-Aug-24	13-Aug-26	45.00%	500	1,798.40	6.91%	1,382.15
	14-Aug-24	13-Aug-27	45.00%	500	1,798.40	6.92%	1,415.13
	14-Aug-24	13-Aug-28	45.00%	500	1,798.40	6.88%	1,445.70

39. The Board of Directors has not recommended any dividend for the financial year 2024-25 (P.Y. Dividend Nil per equity share of face value of ₹10/- each)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

40. Additional Information As required by Paragraph 2 of the general Instruction for Preparation of the Consolidated Financial Statements to the Schedule III of the Act

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amounts	As % of Consolidated Profit & Loss	Amounts	As % of Consolidated net assets	Amounts	As % of total comprehensive income	Amount
Parent								
Arman Financial Services Limited	27.00%	23,607.08	89.71%	4,671.46	-5.74%	(10.33)	86.52%	4,661.13
Subsidiaries Indian								
Namra Finance Limited	73.00%	63,834.25	10.29%	535.86	105.74%	190.40	13.48%	726.26
Foreign	-	-	-	-	-	-	-	-
Minority interests in all subsidiaries associates (investments as per the equity method)								
Parent Subsidiaries Indian								
Namra Finance Limited	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Total	**100.00%**	**87,441.33**	**100.00%**	**5,207.32**	**100.00%**	**180.07**	**100.00%**	**5,387.39**

41. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	Note No.	As at 31st March, 2025			As at 31st March, 2024		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	6,775.03	-	6,775.03	11,859.04	-	11,859.04
Bank Balance other than above	2	30,704.45	2,862.51	33,566.96	36,551.85	4,061.67	40,613.52
Loans	3	1,16,366.40	52,000.03	1,68,366.43	1,65,793.11	37,498.07	2,03,291.17
Investments	4	3,897.15	-	3,897.15	711.81	-	711.81
Other Financial assets	5	3,821.09	336.13	4,157.22	4,046.90	55.44	4,102.33

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	Note No.	As at 31st March, 2025			As at 31st March, 2024		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-financial Assets							
Current tax assets (Net)		-	-	-	-	-	-
Deferred tax Assets (Net)	6	2,596.07	0.00	2,596.07	1,915.46	-	1,915.46
Property, Plant and Equipment	7	-	2,969.13	2,969.13	-	595.35	595.35
Other Intangible assets		-	30.21	30.21	-	29.29	29.29
Capital Work-in-progress	7	-	19.62	19.62	-	-	-
Right of Use Assets	7	-	105.21	105.21	-	141.48	141.48
Other non-financial assets	8	244.71	3.91	248.62	246.26	-	246.26
Total Assets		1,64,404.90	58,326.75	2,22,731.65	2,21,124.43	42,381.30	2,63,505.72
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Trade Payables	9						
(a) total outstanding dues of micro enterprises and small enterprises		52.42	-	52.42	65.68	-	65.68
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		71.78	-	71.78	132.87	-	132.87
Debt Securities	10	21,125.99	12,325.10	33,451.09	11,058.70	19,178.34	30,237.04
Borrowings (Other than Debt Securities)	11	64,504.25	24,276.71	88,780.96	97,693.97	42,061.74	1,39,755.71
Subordinated Liabilities	12	-	1,000.00	1,000.00	1,500.00	1,000.00	2,500.00
Other financial liabilities	13	11,014.18	133.04	11,147.22	7,922.66	203.08	8,125.74
Non-Financial Liabilities							
Provisions	14	248.07	73.66	321.73	84.72	174.16	258.88
Current Tax Liabilities (Net)	15	202.28	-	202.28	722.60	-	722.60
Other non-financial liabilities	16	262.84	0.00	262.84	438.62	-0.00	438.62
EQUITY							
Equity Share capital	17	-	1,049.05	1,049.05	-	1,047.68	1,047.68
Other Equity	18	-	86,392.28	86,392.28	-	80,220.90	80,220.90
Total Liabilities and Equity		**97,481.81**	**1,25,249.84**	**2,22,731.65**	**1,19,619.82**	**1,43,885.90**	**2,63,505.72**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

42. Fair Value Measurements

A Financial instrument by category and their fair value

As at 31st March, 2025	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	2,750.00	1,65,616.43	-	-	-	1,68,366.43	1,68,366.43
Cash and Cash Equivalents	1	6,775.03	-	-	6,775.03	-	-	6,775.03
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	34,634.57	-	-	-	34,634.57	-	34,634.57
Investments	4	3,123.75		773.40	773.40	-	3,123.75	3,897.15
Security Deposits	5	42.21	-	-	-	-	42.21	42.21
Other Advance		200.02	-	-	-	-	200.02	200.02
Income Receivable from Direct Assignment	5	2,120.70	-	-	-	-	2,120.70	2,120.70
Interest Due but not Received on Loans and Advances	5	726.68	-	-	-	-	726.68	726.68
Total		**50,372.96**	**1,65,616.43**	**773.40**	**7,548.43**	**34,634.57**	**1,74,579.79**	**2,16,762.79**
Financial Liabilities								
Trade Payable	9	124.20	-	-	-	-	124.20	124.20
Debt Securities	10	33,451.09	-	-	-	-	33,451.09	33,451.09
Borrowings (Other than Debt Securities)	11	88,780.96	-	-	-	-	88,780.96	88,780.96
Subordinated Liabilities	12	1,000.00	-	-	-	-	1,000.00	1,000.00
Other financial liabilities	13	11,147.22	-	-	-	-	11,147.22	11,147.22
Total Financial Liabilities		**1,34,503.47**	**-**	**-**	**-**	**-**	**1,34,503.47**	**1,34,503.47**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

As at 31st March, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	2,03,291.17	-	-	-	2,03,291.17	2,03,291.17
Advance given for Land Acquisition	5	1,043.33	-	-	1,043.33	-	-	1,043.33
Cash and Cash Equivalents	1	11,859.04	-	-	11,859.04	-	-	11,859.04
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	41,412.38	-	-	-	41,412.38	-	41,412.38
Investments	4	-		711.81	711.81	-	-	711.81
Security Deposits	5	28.90	-	-	-	-	28.90	28.90
Other Advance		11.02	-	-	-	-	11.02	11.02
Income Receivable from Direct Assignment	5	1,928.87	-	-	-	-	1,928.87	1,928.87
Interest Due but not Received on Loans and Advances	5	291.35	-	-	-	-	291.35	291.35
Total		**56,574.89**	**2,03,291.17**	**711.81**	**13,614.18**	**41,412.38**	**2,05,551.32**	**2,60,577.87**
Financial Liabilities								
Trade Payable	9	198.56	-	-	-	-	198.56	198.56
Debt Securities	10	30,237.05	-	-	-	-	30,237.05	30,237.05
Borrowings (Other than Debt Securities)	11	1,39,755.71	-	-	-	-	1,39,755.71	1,39,755.71
Subordinated Liabilities	12	2,500.00	-	-	-	-	2,500.00	2,500.00
Other financial liabilities	13	8,125.74	-	-	-	-	8,125.74	8,125.74
Total Financial Liabilities		**1,80,817.06**	**-**	**-**	**-**	**-**	**1,80,817.06**	**1,80,817.06**

B Reconciliation of level 3 fair value measurement is as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	**2,03,291.17**	**1,54,683.90**
Addition during the year	1,44,713.41	1,95,087.54
Amount derecognised / repaid during the year	(1,52,717.11)	(1,39,434.73)
Amount written off	(24,194.94)	(4,710.45)
Gains/(losses) recognised in Statement of Profit or Loss	(2,726.10)	(2,335.09)
Balance at the end of the year	**1,68,366.43**	**2,03,291.17**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at 31st March, 2025	As at 31st March, 2024
Retail assets (Refer Note 3)	1,65,630.43	2,03,291.17
Inter corporate deposits (Refer Note 3)	2,736.00	-
Loans to NBFC-to Create the underlying assets	-	-
Total	**1,68,366.43**	**2,03,291.17**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups.

a) TW and LAP Loans

b) SME Loans

c) Retail Asset Channel Loans

d) Microfinance

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

    a) Outstanding balance (POS).

    b) Recovery amount (discounted yearly) by initial contractual rate.

    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

    d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening provision of ECL	9,016.42	6,681.33
Addition during the year	12,546.65	9,062.85
Utilization / reversal during the year	(9,820.55)	(6,727.76)
Closing provision of ECL	**11,742.52**	**9,016.42**

II Liquid Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2025 is 37.34% against regulatory norms of 15%. Tier I capital is 36.59% as against requirement of 10%. Tier II capital is 0.75% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Capital adequacy ratio of the Company, as on 31 March 2025 is 48.37% against regulatory norms of 15%. Tier I capital is 46.97% as against requirement of 10%. Tier II capital is 1.40% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total FDOD & CC limits available to the Company is ₹16795 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at 31st March, 2025									
Debt Securities (Refer Note 10)	602.53	4,907.45	2,883.60	2,656.69	10,075.72	12,325.10	-	-	33,451.09
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	6,978.44	6,479.03	5,501.98	17,912.48	27,632.32	25,276.71	-	-	89,780.96
Trade Payable	22.05	102.15	-	-	-	-	-	-	124.20
As at 31st March, 2024									
Debt Securities (Refer Note 10)	2,589.31	363.64	-	3,429.77	4,675.99	15,150.34	4,028.00	-	30,237.05
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	10,830.08	8,244.30	9,254.81	22,348.62	48,516.16	42,061.74	1,000.00	-	1,42,255.71
Trade Payable	-	198.56	-	-	-	-	-	-	198.56

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

III Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

Sensitivity

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

Particulars	For the year ended on 31st March, 2025	
Change in interest rates	**50 bp increase**	**50 bp decrease**
Bank Deposits	**33,566.96**	**33,566.96**
Impact on profit for the year	167.83	(167.83)
Variable Rate Borrowings	**79,753.27**	**79,753.27**
Impact on profit for the year	(398.77)	398.77

V Foreign currency risk:

As at March 31, 2025, the company has no outstanding foreign currency borrowings (March 31, 2024: Nil).

42. The Board of Directors has not recommended any dividend for the financial year 2024-25.

43. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2025, the Company has written off (net) ₹23694.84 Lakhs. The Total ECL provision of ₹11742.52 Lakhs on Loans and Advances is retained by the company as at March 31, 2025. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

45. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Arman Consolidated Financial Statements

Financial Statements

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARMAN FINANCIAL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Arman Financial Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31 2025, the Standalone Statement of Profit and Loss (including other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of Material accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2025, and its profit including other comprehensive income, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

Key audit matters identified in our audit is in respect of Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]:

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2025 the Company has Net financial assets (loans) amounting to 55,272.33 Lakhs. As per Ind AS 109-Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2025. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected creditlosses. Uncertainties in economic conditions and market volatility compared to previous years have led the management to increase the provision by 1071.57 Lakhs for the year ended March 31, 2025. Considering the significance of the above matter to the standalone financial statements and the substantial judgment involved in the calculation of expected credit losses, we have identified this as a key audit matter for the current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based; b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; c) developing a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; d) testing the arithmetical calculation of the expected credit losses; e) verifying the adequacy of the related disclosures; and f) Obtaining written representations from management whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

OTHER INFORMATION

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, specified under section 143(10) we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying Standalone Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive Income), Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e) On the basis of the written representations received from the directors as on 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

   a) The Company has disclosed the impact of pending litigations as at 31st March, 2025 on its financial position in its Standalone Financial Statements – Refer Note 31 to the Standalone financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.

   e) The Company has not declared or paid any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

   f) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

For, **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

Guharoy Ashish Kumar
Partner
Mem. No. 018659
UDIN: 25018659BMOBIK1831

Place: Hyderabad
Date: 29/05/2025

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

On Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2025

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) In respect of its Property, Plant, Equipment and Intangible Asset:

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

(ii) The Company has maintained proper records showing full particulars of Intangible Assets

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified once in every three years. In accordance with this program, Property, plant and equipment were not verified by the management during the year as the last physical verification is conducted during the financial year ended March 31, 2023 and the next physical verification will be conducted in the immediate following year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets or both during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.

(ii). In respect of its Inventories :

(a) The Company is in the business of providing loans and does not have any physical Inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores from Banks or Financial Institutions on the basis of security of Loans. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the company with the said banks are in agreement with the books of accounts maintained by the Company.

(iii) (a) The Company is Non-Banking Financial Company ('NBFC') and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3.1 to the Standalone Financial Statements for summarized details of such loans/ advances which are not repaid by borrowers as per stipulations. The company has taken reasonable step for recovery of Principal and Interest.

(d) The Company, being a NBFC, registered under the provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3.1 to the Standalone Financial Statements for summarized details of such loans/ advances amounting to Rs. 1,878.66 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.

(e) The Company's principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) is not applicable to the Company.

(iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013, with respect to the loans given, investments made and guarantees and securities given.

(v) In our opinion and according to the information and explanations given to us, The provisions of sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under subsection (1) of section 148 of the Act, in respect of the activities undertaken by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Based on the examination of the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues which remained outstanding as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no disputed statutory dues of income tax or sales tax or service tax or value added tax or cess that have not been deposited on account of any dispute, except for the following:

Name of Statute	Nature of Dues	Amount (₹ In Lacs)	Period to Which amount Relates (A.Y.)	Forum Where Dispute is Pending	Remarks, if any
Income Tax Act, 1961	Income Tax	762.22	2012-13	CIT (A)	-
Income Tax Act, 1961	Income Tax	11.80	2011-12	CIT (A)	-
Income Tax Act, 1961	Income Tax	13.31	2009-10	CIT (A)	-

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

(ix) a. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.

b. According to the information and explanations given to us including representation received from the management of the Company, we report that the Company has not been declared as wilful defaulter by any Bank or Financial Institution.

c. According to the information and explanations given to us, and on the basis of overall examination of standalone financial statements of the company, in our opinion term loans taken during the year was applied for the purpose for which they were obtained.

d. According to the information and explanations given to us, the Company has not utilized funds raised on short term basis for long term purpose.

e. According to information and explanations given to us, we are of the opinion that the Company has not raised funds from any entity or person on account of or to meet the obligations of its Subsidiary.

f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in subsidiary.

(x) In Respect of Utilization of Issue Proceeds

a. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no material fraud by the Company or any fraud on the Company by it's officer or employees has been noticed or reported during the period covered by our audit except for an instance of misappropriation of cash by its employee as identified by the management during the year amounting to Rs. 17.70 lakhs as mentioned in Note 49 to the accompanying standalone financial statements and the Company has taken necessary steps.

b. Based upon the audit procedures performed, no report under section 143(12) of the Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with related parties are in compliance with the provisions of section 177 and 188 of the Act, where applicable. Further, the details thereof have been disclosed in the Standalone financial statements, as required under Ind AS 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) In Respect of Internal Audit System

a. According to the information and explanations given to us, the Company has an Internal Audit System Commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

b. We have considered, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us, in our Opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xv) According to the information and explanations given to us, in our Opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) a. In our opinion and according to the information and explanation given to us, the Company is registered under section 45-IA of Reserve Bank of India Act, 1934, and registration certificate for the same has been obtained.

b. In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

c. In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulation made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. According to the information and explanations given to us and as represented by the management of the Company, the Group to which the company belongs has no Core Investment Company as part of the group.

(xvii) In our opinion, and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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

(xx) In Respect to Unspent CSR:

(a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, the company has no unspent amount as on reporting date which was required to be transferred to a Fund specified in Schedule VII to the companies Act within the period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

(b) In our opinion and according to the information and explanations given to us, the Company has transferred unspent amount pursuant to the ongoing project to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

For, **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

Guharoy Ashish Kumar
Partner
Mem. No. 018659
UDIN: 25018659BMOBIK1831

Place: Hyderabad
Date: 29/05/2025

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

On the Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2025

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls with reference to standalone financial statements of Arman Financial services Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Laxminiwas & Co.**
Chartered Accountants
FRN: 011168S

Guharoy Ashish Kumar
Partner
Mem. No. 018659
UDIN: 25018659BMOBIK1831

Place: Hyderabad
Date: 29/05/2025

Standalone Balance Sheet

as at 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	480.94	6,952.26
(b) Bank Balance other than (a) above	2	6,897.72	6,979.81
(c) Loans	3	55,272.33	40,683.99
(d) Investments	4	35,126.21	28,112.41
(e) Other Financial assets	5	448.68	1,266.73
(2) Non-financial Assets			
(a) Current tax Assets (Net)	6	-	54.98
(b) Deferred tax Assets (Net)	7	676.83	410.91
(c) Property, Plant and Equipment	8	2,530.66	172.56
(d) Other Intangible assets	8	9.56	6.92
(e) Capital Work-in-progress	8	19.62	-
(f) Other non-financial assets	9	150.23	171.05
Total Assets		**1,01,612.78**	**84,811.63**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		-	2.77
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		22.05	35.31
(b) Debt Securities	11	13,953.58	16,745.14
(c) Borrowings (Other than debt securities)	12	27,170.03	11,855.18
(d) Subordinated liabilities	13	-	500.00
(e) Other financial liabilities	14	883.15	1,411.12
(2) Non-Financial Liabilities			
(a) Current tax liability (Net)	6	648.84	-
(b) Provisions	15	105.48	84.76
(c) Other non-financial liabilities	16	249.47	689.16
(3) EQUITY			
(1) Equity Share capital	17	1,049.05	1,047.68
(2) Other Equity	18	57,531.13	52,440.51
Total Liabilities and Equity		**1,01,612.78**	**84,811.63**

See accompanying notes to standalone financial statements **1 to 55**

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Standalone Statement of Profit & Loss

for the year ended 31st March, 2025

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(1)	**Revenue from operations**			
	Interest income	19	17,413.93	12,457.35
	Gain on assignment of Financial Assets	22	-	214.76
	Fees and Commission income	20	575.10	413.10
	Net gain on fair value changes	21	198.65	266.03
	Total Revenue from operations (1)		**18,187.68**	**13,351.24**
(2)	Other income	23	342.13	472.12
(3)	**Total Income (1+2)**		**18,529.81**	**13,823.36**
(4)	**Expenses**			
	Finance costs	24	4,356.42	4,556.55
	Impairment of financial instruments	25	2,886.57	723.53
	Employee benefits expenses	26	3,695.34	2,458.13
	Depreciation, amortization and impairment	27	37.02	18.87
	Others expenses	28	1,754.75	1,231.25
	Total Expenses (4)		**12,730.10**	**8,988.33**
(5)	**Profit / (loss) before tax (3-4)**		**5,799.71**	**4,835.03**
(6)	**Tax Expense:**			
	(1) Current tax	29	1,745.20	1,049.30
	(2) Short / (excess) provision of income tax/deferred tax of earlier years	29	-	35.65
	(3) Deferred tax	29	(262.45)	(39.73)
(7)	**Profit/(loss) for the period (5-6)**		**4,316.96**	**3,789.81**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit obligations		5.86	(2.69)
	(ii) Income tax relating to items not to be reclassified to profit or loss		(1.47)	0.68
	Subtotal (A)		**4.39**	**(2.01)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(19.67)	(9.14)
	(ii) Income tax relating to items to be reclassified to profit or loss		4.95	2.30
	Subtotal (B)		**(14.72)**	**(6.84)**
	Other Comprehensive Income (A + B)		**(10.33)**	**(8.85)**
(9)	**Total Comprehensive Income for the period (7+8) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**4,306.63**	**3,780.96**
(10)	**Earnings per equity share**			
	Basic (₹)	30	41.17	42.58
	Diluted (₹)	30	40.84	42.09

See accompanying notes to standalone financial statements **1 to 55**

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Statement of Changes in Equity
for the year ended 31st March, 2025

(A) Equity share capital (Refer Note 17)

FY 2024-25 (₹ in Lakhs)

Particulars	Balance as at 31st March, 2024	Changes in equity share capital due to prior period errors	Restated Balance as at 31st March, 2024	Changes during the year	Balance as at 31st March, 2025
Ordinary equity share capital	1,047.68	-	1,047.68	1.37	1,049.05

FY 2023-24 (₹ in Lakhs)

Particulars	Balance as at 31st March, 2023	Changes in Equity share capital due to prior period errors	Restated Balance as at 31st March, 2023	Changes during the year	Balance as at 31st March, 2024
Ordinary equity share capital	849.23	-	849.23	198.45	1,047.68

(B) Other equity (Refer note 18)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment		
FY 2024-25								
Balance as at March 31, 2024	-	164.35	2,851.00	39,231.22	9,609.18	657.27	(72.51)	52,440.51
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2024	-	164.35	2,851.00	39,231.22	9,609.18	657.27	(72.51)	52,440.51
Profit for the year	-	-	-	-	4,316.96	-	-	4,316.96
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(10.33)	(10.33)
Total Comprehensive Income for the period	-	-	-	-	4,316.96	-	(10.33)	4,306.63
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	864.00	-	(864.00)	-	-	-
Additions during the year in securities premium	-	-	-	300.10	-	(242.61)	-	57.50
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Share based payment to employees (ESOP)	-	-	-	-	-	726.50	-	726.50
Balance as at March 31, 2025	-	174.35	3,715.00	39,531.32	13,052.14	1,141.16	(82.84)	57,531.13

Statement of Changes in Equity
for the year ended 31st March, 2025

(B) Other equity (Refer note 18) (contd.)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment		
FY 2023-24								
Balance as at March 31, 2023	6,383.05	154.35	2,093.00	6,909.18	6,587.37	23.75	(63.66)	22,087.05
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2023	6,383.05	154.35	2,093.00	6,909.18	6,587.37	23.75	(63.66)	22,087.05
Profit for the year	-	-	-	-	3,789.81	-	-	3,789.81
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(8.85)	(8.85)
Total Comprehensive Income for the period	-	-	-	-	3,789.81	-	(8.85)	3,780.96
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	758.00	-	(758.00)	-	-	-
Additions during the year in securities premium	-	-	-	33,021.84	-	(8.72)	-	33,013.12
Share Issue Expense	-	-	-	(699.80)	-	-	-	(699.80)
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Transferred to liability component	(7.41)	-	-	-	-	-	-	(7.41)
Transferred to Security Premium	(6,375.65)	-	-	-	-	-	-	(6,375.65)
Share based payment to employees (ESOP)	-	-	-	-	-	642.24	-	642.24
Balance as at March 31, 2024	-	164.35	2,851.00	39,231.22	9,609.18	657.27	(72.51)	52,440.51

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Place: Ahmedabad
Date: 29th May, 2025

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Arman Standalone Financial Statements

Standalone Statement of Cash Flow

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
A: Cash from Operating Activities:				
Net profit before taxation		5,799.71		4,835.03
Adjustment For:				
Depreciation and amortisation	37.02		18.87	
Interest Income	(17,413.93)		(12,457.35)	
Finance cost Expense	4,356.42		4,556.55	
Provision for impairment on financial assets	1,071.57		443.59	
Gain On Assignment of Assets (Net of Expense)	-		(214.76)	
Loss / (Profit) on sale of Current Investment	(198.65)		(266.03)	
Remeasurement of define benefit plan	5.86		(2.69)	
Employee Stock Option Plan Expense	265.00		220.28	
Interest on shortfall of advance Tax	-		-	
Loss/(Profit) on Disposal of Property, Plant & Equipment	(0.09)		3.57	
Loss/(Profit) on Derecognition of Investment for financial guarantee	447.70		206.25	
Financial Guarantee (Income)/Reversal	(342.03)		(472.12)	
		(11,771.13)		**(7,963.84)**
Operating profit before working Capital changes:		**(5,971.42)**		**(3,128.81)**
Adjustment For (Increase)/Decrease in Operating Assets:				
Loans and Advances	(15,679.58)		(11,439.84)	
Financial Assets	989.83		(846.71)	
Non Financial Assets	20.82		(118.04)	
Bank balance other than Cash and Cash equivalents	82.09		(584.60)	
Adjustment For Increase/(Decrease) in Operating Liabilities:				
Trade Payables	(16.04)		4.36	
Other Non Financial liability	(97.66)		30.09	
Other Financial Liabilities	26.79		62.30	
Subordinated Debts	(500.00)		(79.76)	
Provision	20.72		17.18	
		(15,153.03)		**(12,955.01)**
Cash Generated From Operations		**(21,124.45)**		**(16,083.82)**
Interest Income Received	17,242.15		12,442.38	
Finance Cost Paid	(4,724.04)		(4,024.55)	
Income tax paid	(1,041.37)		(963.83)	
		11,476.74		**7,454.00**
Net Cash From Operating Activities:		**(9,647.71)**		**(8,629.83)**
B: Cash Flow From Investment Activities:				
Purchase of Property, Plant & Equipment	(2,417.43)		(124.27)	
Sale of Property, Plant & Equipment	0.14		5.61	
Purchase of investments	(38,181.14)		(40,749.47)	
Sale of investments	31,379.79		33,137.68	
Net Cash from Investment Activities:		**(9,218.64)**		**(7,730.46)**

Standalone Statement of Cash Flow (contd.)

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
C: Cash Flow From Financing Activities:				
Proceeds from issue of share capital (including Premium)	58.88		23,000.60	
Share Issue Expenses	-		(699.80)	
Proceeds from long term borrowings	28,726.20		16,703.78	
Repayment of borrowings	(17,426.99)		(13,141.83)	
Repayment of CCD	-		(998.11)	
Net increase / (decrease) in working capital borrowings	1,036.94		(1,696.38)	
Net Cash from Financing Activities:		**12,395.03**		**23,168.26**
Net Increase/(Decrease) in Cash & Cash Equivalents		**(6,471.32)**		**6,807.98**
Cash & cash equivalents at the beginning of the year		6,952.26		144.29
Cash & cash equivalents at the end of the year		480.94		6,952.26

Notes :

1 **Cash and bank balance at the end of the year comprises:**

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash on hand	240.79	11.31
Balance with Bank	240.15	6,940.95
Cash & cash equivalents as per Balance Sheet	480.94	6,952.26

2 The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 **Change in liabilities arising from financing activities:**

Particulars	31st March, 2024	Cash Flows	Non Cash Changes	31st March, 2025
Debt Securities	16,745.14	(2,970.00)	178.44	13,953.58
Borrowing other than debt Securities	11,855.18	15,306.15	8.71	27,170.03
Total	**28,600.32**	**12,336.15**	**187.15**	**41,123.61**

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

Notes forming part of the Standalone Financial Staements

for the year ended 31st March, 2025

1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI")and according to RBI Notification DoR.FIN.REC. No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). The Company is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") and Loan again property ("LAP") to create the underlying assets of SME, TW and mortgage. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI")

ii) Defined benefit plans - plan assets

iii) Investments in liquid marketable debt securities

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 39.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in para 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 38.

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in para 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c. Managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

iii) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

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

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant,

are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years
ii) Vehicles - 8 years
iii) Office equipment - 5 years
iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. Change the useful life of Office Equipment to 5 years to make it in line with Schedule II

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (five years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head other income as Income on Financial Guarantee given to banks on behalf of Subsidiary on a straight line basis over the life of the guarantee.

3.15 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance Corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e., profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

1	Cash and Cash Equivalents	As at 31st March, 2025	As at 31st March, 2024
	Cash on hand	240.79	11.31
	Balance with banks	240.15	6,940.95
	Total	**480.94**	**6,952.26**

2	Other Bank Balance	As at 31st March, 2025	As at 31st March, 2024
	In fixed deposit accounts:		
	Deposits given as security against borrowings	741.35	655.32
	Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	5,500.00	6,226.03
	Other Deposits (i.e., free from any encumbrance)	913.67	224.17
	Earmarked balances with banks (Refer Note 2.1)	4.31	15.57
	Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(261.61)	(141.28)
	Total	**6,897.72**	**6,979.81**

2.1 Earmarked balance with banks represents ₹4.31 Lakhs (As at March 31, 2024 ₹15.57 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

2.2 Deposits includes deposits of ₹5500 Lakhs (P.Y. ₹6226.03 lakhs) given to bank for Overdraft limits of ₹5500 Lakhs (P.Y. ₹6010 lakhs). Overdraft limits utilized is ₹5172.4 Lakhs

3	Loans	As at 31st March, 2025	As at 31st March, 2024
	At Amortised Cost:		
	Inter Corporate Deposit		
	Secured by Tangible Asset	2,271.26	-
	Unsecured	500.00	-
	At FVOCI:		
	Secured by Tangible Asset	10,411.89	7,825.95
	Unsecured Loans	45,125.45	34,771.29
	Total Loans	**58,308.60**	**42,597.24**
	Less : Impairment Loss allowance	(2,720.97)	(1,722.10)
	Less: Interest Due but not Received on Loans and Advances (Note No. 5)	(315.30)	(191.15)
		55,272.33	**40,683.99**
	(1) Loans In India		
	Public Sector	-	-
	Others	55,272.33	40,683.99
		55,272.33	**40,683.99**
	(2) Loans Outside India	-	-
	Total	**55,272.33**	**40,683.99**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 31st March, 2023	**29,881.85**	**320.97**	**818.97**	**31,021.80**
New Assets originated*	32,294.97	242.22	212.83	32,750.02
Net transfer between stages				
Transfer from stage 1	(1,016.18)	268.73	747.45	-
Transfer from stage 2	16.76	(123.60)	106.84	-
Transfer from stage 3	0.92	-	(0.92)	-
Assets derecognised or collected	20,406.93	142.56	112.36	20,661.85
Write - offs	17.17	37.79	648.91	703.88
Carrying amount As at 31st March, 2024	**40,754.22**	**527.97**	**1,123.90**	**42,406.09**
New Assets originated*	42,208.15	303.16	272.74	42,784.05
Net transfer between stages				
Transfer from stage 1	(2,145.05)	631.05	1,514.00	-
Transfer from stage 2	30.42	(64.75)	34.33	-
Transfer from stage 3	2.05	2.85	(4.90)	-
Assets derecognised or collected	24,804.00	189.77	71.34	25,065.11
Write - offs	901.28	240.38	990.07	2,131.73
Carrying amount As at 31st March, 2025	**55,144.51**	**970.13**	**1,878.66**	**57,993.30**

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at 31st March, 2023	**606.78**	**87.17**	**630.96**	**1,324.92**
Addition During the Year	856.03	150.20	882.65	1,888.87
Reversal During the Year	(639.32)	(90.24)	(762.14)	(1,491.70)
Carrying amount As at 31st March, 2024	**823.49**	**147.13**	**751.47**	**1,722.09**
Addition During the Year	1,075.93	288.85	1,532.54	2,897.33
Reversal During the Year	(823.95)	(148.89)	(925.60)	(1,898.45)
Carrying amount As at 31st March, 2025	**1,075.47**	**287.09**	**1,358.41**	**2,720.97**

Note: I Increase in ECLs of the portfolio was driven by moderate credit performance in disbursement and movements within stages. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2025, the Company has written off (net) ₹1815 Lakhs. The Total ECL provision of ₹2720.97 Lakhs on Loans and Advances is retained by the company as at March 31, 2025. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

3.3 Secured loans are secured by hypothecation/mortgage of assets (i.e., vehicles & immovable properties). In the opinion of the Board, the market value of the hypothecated/mortgage assets (i.e., vehicles & immovable properties) as on Balance Sheet date is more than the amount of loan outstanding.

3.4 Refer Note 35 for Loans to Subsidiary company.

4	Investments (At Cost)	As at 31st March, 2025	As at 31st March, 2024
	Subsidiary		
	Investment in shares of subsidiary	33,563.20	26,563.20
	Investment in subsidiary on account of:		
	- Corporate financial guarantee given to bank on behalf of subsidiary	589.00	1,036.70
	- Issuance of equity shares to the employees of subsidiary at discount	974.01	512.51
		35,126.21	**28,112.41**
	(1) Investment In India	35,126.21	28,112.41
	(2) Investment outside India	-	-
	Total	**35,126.21**	**28,112.41**

4.1 As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

4.2 Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 5,28,60,000 (As at 31.03.2024, 4,93,60,000) Equity Shares of ₹10/- each fully paid up. Company has subscribed 35,00,000 equity shares at ₹200 each through right issue during the financial year.

5	Other Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Interest Due but not Received on Loans and Advances (Note No.3)	315.30	191.15
	Interest Accrued but not due on Bank Deposits (Note No.2)	261.61	141.28
	Deposits	12.27	9.11
	Income Receivable from Direct Assignment	-	38.55
	Advance given for Land Acquisition	-	1,043.33
	Insurance Claim Receivable	90.09	-
	Other Advances	0.72	1.92
	Less: Provision on Interest Receivable on Credit Impaired Loans and Advances	(231.31)	(158.61)
	Total	**448.68**	**1,266.73**

5.1 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

Particulars	As at 31st March, 2025	As at 31st March, 2024
ECL Allowances As at beginning of the year	**158.61**	**112.20**
Addition During the Year	228.45	155.87
Reversal During the Year	(155.75)	(109.46)
ECL Allowances As at end of the year	**231.31**	**158.61**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

5.2 There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

6	Current Tax (Net)	As at 31st March, 2025	As at 31st March, 2024
	Advance Tax and TDS	2,151.43	1,110.05
	Less: Provision for Tax	(2,800.27)	(1,055.07)
	Total	**(648.84)**	**54.98**

7	Deferred Tax	As at 31st March, 2025	As at 31st March, 2024
A	**Deferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	26.55	21.33
	Shares issue expenses that are allowable for tax purpose on deferred basis	2.37	3.56
	Impairment on Financial Assets	630.91	416.25
	Amortisation of Processing Fees Income	105.70	101.19
	Fair valuation of financial instruments through Other Comprehensive Income	22.46	17.51
	Total Deferred Tax Assets	**787.99**	**559.84**
B	**Deferred Tax Liability on Account of:**		
	Deferred in written down value as per Companies Act and Income Tax Act	(6.52)	(5.79)
	Financial liabilities measured at amortised cost	(46.42)	(93.52)
	Direct Assignment Income Receivable -DA	-	(9.70)
	Interest on NPA Receivable	(58.22)	(39.92)
	Total Deferred Tax Liabilities	**(111.16)**	**(148.93)**
	Total Asset/(Liability) (Net)	**676.83**	**410.91**

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at 31st March, 2024	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2025
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	21.33	-	6.69	(1.47)	26.55
Shares issue expenses that are allowable for tax purpose on deferred basis	3.56	-	(1.18)	-	2.37
Impairment on Financial Assets	416.25	-	214.66	-	630.91
Amortisation of Processing Fees Income	101.19	-	4.51	-	105.70
Fair valuation of financial instruments through Other Comprehensive Income	17.51	-	-	4.95	22.46

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	As at 31st March, 2024	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2025
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.79)	-	(0.73)	-	(6.52)
Financial liabilities measured at amortised cost	(93.52)	-	47.10	-	(46.42)
Direct Assignment Income Receivable -DA	(9.70)	-	9.70	-	-
Interest Receivable on NPA Assets	(39.92)	-	(18.30)	-	(58.22)
Total Asset/(Liability) (Net)	**410.91**	**-**	**262.45**	**3.48**	**676.83**

Particulars	As at 31st March, 2023	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2024
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	17.01	-	3.65	0.68	21.33
Shares issue expenses that are allowable for tax purpose on deferred basis	5.03	-	(1.47)	-	3.56
Impairment on Financial Assets	361.69	-	54.56	-	416.25
Amortisation of Processing Fees Income	79.28	-	21.91	-	101.19
Fair valuation of financial instruments through Other Comprehensive Income	15.21	-	-	2.30	17.51
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(4.03)	-	(1.76)	-	(5.79)
Financial liabilities measured at amortised cost	(77.74)	-	(15.78)	-	(93.52)
Direct Assignment Income Receivable -DA	-	-	(9.70)	-	(9.70)
Interest Receivable on NPA Assets	(28.24)	-	(11.68)	-	(39.92)
Total Asset/(Liability) (Net)	**368.21**	**-**	**39.73**	**2.98**	**410.91**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

8 Property, Plant & Equipment

Gross Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Land	Total Property, Plant & Equipment	Intangible Assets	Total Assets
At 31st March, 2023	**52.23**	**65.34**	**28.12**	**17.01**	**55.80**	**-**	**218.49**	**11.21**	**229.70**
Addition	-	8.44	-	85.76	25.71	-	119.91	4.36	124.27
Disposal	-	17.32	8.36	16.72	39.87	-	82.27	-	82.27
Other Adjustment	-	-	-	-	-	-	-	-	-
At 31st March, 2024	**52.23**	**56.46**	**19.76**	**86.05**	**41.64**	**-**	**256.13**	**15.57**	**271.70**
Addition	-	11.18	12.63	-	18.89	2,350.64	2,393.35	4.65	2,398.00
Disposal	-	-	0.88	-	-	-	0.88	-	0.88
Other Adjustment	-	-	-	0.19	-	-	0.19	-	0.19
At 31st March, 2025	**52.23**	**67.64**	**31.51**	**85.86**	**60.53**	**2,350.64**	**2,648.41**	**20.22**	**2,668.63**

Gross Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Land	Total Property, Plant & Equipment	Intangible Assets	Total Assets
At 31st March, 2023	**19.31**	**46.46**	**20.12**	**11.11**	**41.42**	**-**	**138.42**	**8.02**	**146.44**
Charge for the year	0.83	3.32	1.66	2.87	9.56	-	18.24	0.63	18.87
Disposal	-	15.49	7.77	11.76	38.07	-	73.09	-	73.09
At 31st March, 2024	**20.14**	**34.29**	**14.01**	**2.22**	**12.90**	**-**	**83.57**	**8.65**	**92.22**
Charge for the year	0.83	4.36	5.80	10.17	13.86	-	35.01	2.01	37.02
Disposal	-	-	0.83	-	-	-	0.83	-	0.83
At 31st March, 2025	**20.97**	**38.65**	**18.98**	**12.39**	**26.76**	**-**	**117.75**	**10.66**	**128.41**

Net Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Land	Total Property, Plant & Equipment	Intangible Assets	Total Assets
At 31st March, 2024	**32.09**	**22.17**	**5.75**	**83.83**	**28.73**	**-**	**172.56**	**6.92**	**179.48**
At 31st March, 2025	**31.26**	**28.99**	**12.53**	**73.47**	**33.77**	**2,350.64**	**2,530.66**	**9.56**	**2,540.22**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

8.1 A Capital Working in Progress aging schedule :

Capital Working in Progress	March 31, 2025				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	19.62	-	-	-	19.62
Projects temporarily suspended	-	-	-	-	-

Capital Working in Progress	March 31, 2024				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

8.1 B For Capital Working in Progress, whose completion is overdue or has exceeded its cost compared to its original plan :

Capital Working in Progress	March 31, 2025				
	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital Working in Progress	March 31, 2024				
	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note. 31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

(e) During the year, the Company revised the useful life of Office Equipment to 5 years from 10 years in line with the requirements of Schedule II of the Companies Act, 2013. The change has been accounted for prospectively in accordance with Ind AS 8.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

9	Other Non - Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Prepaid Expenses	26.13	14.26
	Balance with Government Authorities	76.13	73.50
	Advances to staff	6.19	2.20
	Advance to Suppliers	41.78	81.09
	Total	**150.23**	**171.05**

10	Other Payables	As at 31st March, 2025	As at 31st March, 2024
	Total outstanding dues of micro enterprises and small enterprises	-	2.77
	Total outstanding dues of other than micro enterprises and small enterprises	22.05	35.31
	Total	**22.05**	**38.08**

10.1 Trade Payable ageing schedule :

As on 31st March, 2025	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	22.05
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on 31st March, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	2.77	-	35.31
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

10.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
1	Principal amount payable to suppliers as at year end	-	2.77
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

11	Debt Securities (At Amortised Cost)	As at 31st March, 2025	As at 31st March, 2024
	Secured Debenture (Refer note 11.1)		
	11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. Nil Unit, P.Y. 300 Unit)	-	1,000.00
	11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. Nil Unit, P.Y. 2500 Unit)	-	2,500.00
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 200 Unit)	-	2,000.00
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55
	10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil)	4,980.00	-
	8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit)	1,225.00	3,675.00
	Less: Unamortised borrowing costs	(112.02)	(290.46)
	Total Debt Securities	**13,953.58**	**16,745.14**
	Debt Securities in India	13,953.58	16,745.14
	Debt Securities Outside India	-	-
	Total	**13,953.58**	**16,745.14**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

11.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. Nil Unit, P.Y. 300 Unit)	-	1,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 200 Unit)	-	2,000.00	100% on 04-04-2024	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. Nil Unit, P.Y. 2500 Unit)	-	2,500.00	100% on 27-07-2024	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. 2,48,655 Unit)	2,486.55	2,486.55	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
10.20% Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (C.Y. 4,980 Unit, P.Y. Nil)	4,980.00	-	100% on 25-01-2026	Secured Under Hypothecation of Specific Assets Portfolio
8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.25 Lakh Each (P.Y. ₹0.75 Lakhs) (C.Y. 4,900 Unit, P.Y. 4900 Unit)	1,225.00	3,675.00	Repayable in 8 quarterly installments starting from 19-10-2023	Secured Under Hypothecation of Specific Assets Portfolio
Total Debt Securities	**14,065.60**	**17,035.60**		

12	Borrowings (Other than debt securities)	As at 31st March, 2025	As at 31st March, 2024
	Term Loans		
	Secured		
	From Banks	4,108.80	933.33
	From Financial Institutions	15,103.79	6,867.52
	Loans repayable on demand from banks	0.00	10.55

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

12	Borrowings (Other than debt securities)	As at 31st March, 2025	As at 31st March, 2024
	Overdraft from banks - Secured against Fixed Deposit	5,172.40	4,124.92
	Loans from Related Parties		
	Inter Corporate Deposits - Unsecured	2,857.47	-
	Less: Unamortised borrowing costs	(72.43)	(81.14)
	Total Borrowings	**27,170.03**	**11,855.18**
	Borrowings in India	27,170.03	11,855.18
	Borrowings Outside India	-	-
	Total	**27,170.03**	**11,855.18**

12.1 Security :-

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". And refer note 35 for Loans from related parties.

12.2 Interest:

Term loans, ICDs and Loans repayable on demand from banks carries an interest rate ranging from 10% to 13.70% p.a.

12.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

12.4 Details of terms of Repayment and security provided in respect of borrowings.

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Borrowings (Other than Debt Securities) from banks				
Term Loan From Bank-1	1,185.19	-	Repayable in 27 monthly installments starting from 30 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-2	2,000.00	-	Repayable in 27 monthly installments starting from 21 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-3	812.50	-	Repayable in 24 monthly installments starting from 05 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-4	-	600.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Term Loan From Bank-5	111.11	333.33	Repayable in 27 monthly installments starting from 07 June 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Total Borrowings From Banks	**4,108.80**	**933.33**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	-	10.55	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Over Draft Facility From Bank 2	-	62.57	-	Secured by a first and exclusive charge Bank Deposits
Over Draft Facility From Bank 3	2,841.29	2,515.96	-	Secured by a first and exclusive charge Bank Deposits
Over Draft Facility From Bank 4	2,331.11	1,546.39	-	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	**5,172.40**	**4,135.47**		
Borrowings (Other than Debt Securities) from financial institution				
Term Loan From Financial Institution 1	-	50.69	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 2	9.72	126.39	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 3	4.17	54.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 4	9.72	126.39	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 5	4.17	54.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 6	-	142.86	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 7	-	142.86	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution 8	37.50	487.50	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 9	452.80	850.67	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution 10	(0.00)	827.16	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 11	320.83	870.83	Repayable in 24 monthly installments starting from 01 July 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 12	694.44	-	Repayable in 36 monthly installments starting from 30 April 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 13	708.33	-	Repayable in 24 monthly installments starting from 30 July 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 14	924.95	-	Repayable in 24 monthly installments starting from 10 December 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 15	2,395.83	-	Repayable in 24 monthly installments starting from 31 January 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 16	1,444.23	-	Repayable in 24 monthly installments starting from 10 February 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution 17	5,205.72	-	Repayable in 20 monthly installments starting from 25 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 18	1,363.60	2,272.71	Repayable in 36 monthly installments starting from 27 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 19	1,000.00	-	Repayable in 24 monthly installments starting from 28 March 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution 20	263.89	430.56	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 21	263.89	430.56	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Borrowings From Financial Institution	**15,103.79**	**6,867.52**		

13

Subordinated Liabilities(At Cost)	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
15%, Unsecured Subordinated Term Loan in India	-	500.00
Unsecured Subordinated Debt outside India	-	-
Total	**-**	**500.00**

13.1 Details of terms of Redemption/ Repayment of Unsecured Subordinated Liabilities:

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank	-	500	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured

14

Other Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
Interest accrued but not due on Borrowings	501.30	1,056.07
Payable to Employees	42.97	4.77
Security deposits received from Borrowers	28.06	28.06
Insurance Payable	122.07	116.33
CSR expenses payable	43.72	8.26
Other Expenses Payable	95.59	52.88
Unpaid dividend	4.32	7.32
Payable toward assignment and transactions	45.12	137.43
Total	**883.15**	**1,411.12**

14.1 Unpaid dividend outstanding as on March 31, 2025 is not due for transfer to investor education and protection fund by the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

15	Provisions	As at 31st March, 2025	As at 31st March, 2024
	Provisions for employee benefits - Gratuity	105.48	84.76
	Total	**105.48**	**84.76**

16	Other Non Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Other statutory dues	32.61	25.02
	TDS payable	63.76	169.00
	Financial Guarantee (Liability)	153.10	495.14
	Total	**249.47**	**689.16**

17	Equity Share Capital	As at 31st March, 2025	As at 31st March, 2024
	Authorized Shares		
	1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2024: 1,40,00,000 Equity Shares of ₹10/- each)	1,400.00	1,400.00
	Total	**1,400.00**	**1,400.00**
	Issued, subscribed and fully paid-up shares:		
	Equity Shares of (As at March 31, 2024: 1,04,76,774 Equity Shares) of ₹10/- each fully paid up (Ordinary)	1,049.05	1,047.68
	Total	**1,049.05**	**1,047.68**

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital As at March 31, 2025 & As at March 31, 2024, is set out below:

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	1,04,76,774	1,047.68	84,92,334	849.23
Issued during the year	13,764	1.37	19,84,440	198.45
Outstanding at the end of the year	**1,04,90,538**	**1,049.05**	**1,04,76,774**	**1,047.68**

17.2 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Elevation Capital V Limited	11,43,789	10.90%	14,48,740	13.83%
Namra Holdings & Consultancy Services LLP	9,48,308	9.04%	9,48,308	9.05%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows :

Promotor Name	As at 31st March, 2025		As at 31st March, 2024		% Change during the Year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Jayendrabhai Patel	4,27,937	4.08%	4,27,937	4.08%	-0.01%
Jayendrabhai Patel HUF	1,96,000	1.87%	1,96,000	1.87%	0.00%
Amit Rajnikant Mankiwala	10,000	0.10%	10,000	0.10%	0.00%
Ritaben Patel	4,36,089	4.16%	4,36,089	4.16%	-0.01%
Himani Amit Mankiwala	6,238	0.06%	6,479	0.06%	0.00%
Aalok Jayendrabhai Patel	2,47,809	2.36%	2,47,809	2.37%	0.00%
Maulik Amit Mankiwala	800	0.01%	800	0.01%	0.00%
Sajni Aalok Patel	41,316	0.39%	41,316	0.39%	0.00%
Namra Holdings and Consultancy Services LLP	9,48,308	9.04%	9,48,308	9.05%	-0.01%

17.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 41.

17.5 Terms / rights attached to equity shares

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

18	Other Equity (Refer Note 18.1)	As at 31st March, 2025	As at 31st March, 2024
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	164.35	154.35
	Add: Transfer from statement of profit and loss	10.00	10.00
	Closing Balance	**174.35**	**164.35**
	ii. Special Reserve u/s 45-IC of the RBI Act,1934		
	Balance as per last financial statement	2,851.00	2,093.00
	Add: Transfer from statement of profit and loss	864.00	758.00
	Closing Balance	**3,715.00**	**2,851.00**
	iii. Securities Premium		
	Balance as per last financial statement	39,231.22	6,909.18
	Add: Share Premium on shares issued during the year	300.10	33,021.84
	Less: Share Issue Expenses	-	699.80
	Closing Balance	**39,531.32**	**39,231.22**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

18 Other Equity (Refer Note 18.1)	As at 31st March, 2025	As at 31st March, 2024
iv. Share Based Payment Reserve		
Balance as per last financial statements	657.27	23.75
Add/(Less): Stock option expenditure for employees of company	361.97	239.47
Add/(Less): Stock option expenditure for employees of subsidiary (Net)	461.50	421.96
Less: amount transferred towards option expired unexercised	96.97	19.19
Less: Reversal of ESOP reserve on exercised option of stock option	242.61	8.72
Closing Balance	**1,141.16**	**657.27**
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	9,609.18	6,587.37
Add: Profit for the year	4,316.96	3,789.81
Less: Appropriations		
Amount transfer to General Reserve	(10.00)	(10.00)
Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(864.00)	(758.00)
Closing Balance	**13,052.14**	**9,609.18**
B. Other Comprehensive Income		
Balance as per last financial statement	(72.51)	(63.66)
Additions during the year	(10.33)	(8.85)
Closing Balance	**(82.84)**	**(72.51)**
C. Equity Component of Compound Instruments:		
i. Equity Component of Compulsory Convertible Debentures		
Balance as at the beginning of the period	-	6,146.73
Transferred to liability component	-	(7.41)
Transferred to Security Premium	-	(6,139.32)
Closing Balance	**-**	**-**
ii. Equity component of Optionally Convertible Redeemable Preference shares		
Balance as at the beginning of the period	-	236.33
Transferred to Security Premium	-	(236.33)
Closing Balance	**-**	**-**
Total	**57,531.13**	**52,440.51**

18.1 Nature and Purpose of Reserve

1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

3 Surplus in the statement of profit and loss:

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances:

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities:

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any

6 General reserve

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Share Based Payment Reserve:

The Stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

18.2 Disclosures in relation to Compound Instruments:

Disclosures for Optionally Convertible Redeemable Preference shares

A Authorized Shares	As at 31st March, 2025	As at 31st March, 2024
Authorized Shares		
10,00,000 Preference Shares of ₹10/- each (As at March 31, 2024: 10,00,000 Preference Shares of ₹10/- each)	100.00	100.00
Total	**100.00**	**100.00**
B Issued, subscribed and fully paid-up shares:		
Nil Preference Shares of ₹10/- each (As at March 31, 2024: Nil Preference Shares of ₹10/- each)	-	-
Total	**-**	**-**

C The reconciliation of no. of preference shares outstanding & amount of preference share capital as at March 31, 2025 & March 31, 2024 is set out below:

Ordinary Preference Shares:	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Outstanding at the beginning of the year	-	-	3,10,972	31.10
Issued during the year	-	-	-	-
Converted during the year	-	-	3,10,972	31.10
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

D Details of shareholders holding more than 5 % of preference shares of the Company are as follows:

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares

E Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

Particulars	As at 31st March, 2025	As at 31st March, 2024
Equity shares reserved for issue under option	-	-

19 Interest Income

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest income based on effective interest method	16,815.89	-	11,679.23	-
Interests on Deposits as Security	-	475.56	-	578.42
Interests on Others	-	122.48	-	199.70
Total	**16,815.89**	**598.04**	**11,679.23**	**778.12**
Total Interest		**17,413.93**		**12,457.35**

20 Fees and Commission Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Loan Processing fees Income	489.73	316.81
Other Fees and Charges	85.37	96.29
Total	**575.10**	**413.10**

21 Net gain on fair value changes

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Profit on Sale of Current Investment	198.65	266.03
Total	**198.65**	**266.03**

22 Gain On Assignment of Financial Assets

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Gain on Assignment of Assets (Net of Expense)	-	214.76
Total	**-**	**214.76**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

23 Other Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Income on Financial Guarantee given to banks on behalf of Subsidiary	342.04	472.12
Profit on Disposal of Property, Plant & Equipment	0.09	-
Total	**342.13**	**472.12**

24 Finance Costs

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest on Borrowings	1,367.32	1,932.65
Interest on Debt Securities	1,830.75	1,863.34
Interest on Subordinated Liabilities	19.09	75.20
Other interest expense	716.90	365.97
Other Borrowing Costs	422.36	319.39
Total	**4,356.42**	**4,556.55**

25 Impairment of financial instruments

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Bad debts written off & (Recovery)	1,815.00	279.94
Expected Credit Loss Provision (Net):		
On Financial assets measured at FVOCI	1,057.57	443.59
On Financial assets measured at Amortised Cost	14.00	-
Total	**2,886.57**	**723.53**

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

26 Employee Benefit Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries and wages	3,178.10	2,049.27
Share Based Payment	265.00	220.28
Contribution to provident and other funds	181.73	124.40
Gratuity	30.05	20.00
Staff welfare expenses	40.46	44.18
Total	**3,695.34**	**2,458.13**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund and employee state insurance aggregating ₹181.73 lakhs (Year ended March 31, 2024: ₹124.40 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972.

Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

The status of gratuity plan required under Ind AS 19 is an under:

	Reconciliation of opening and closing balances of defined benefit obligation	Year Ended 31st March, 2025	Year Ended 31st March, 2024
i)	**Opening Defined Benefit Obligation**	84.77	67.60
	Transfer in/(out) obligation	-	-
	Current service cost	24.88	15.64
	Interest cost	5.17	4.39
	Components of actuarial gain/losses on obligations:		
	Due to Change in financial assumptions	2.87	0.60
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(8.72)	2.06
	Past service cost	-	-
	Loss (gain) on curtailments	-	-
	Liabilities extinguished on settlements	-	-
	Liabilities assumed in an amalgamation in the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	(3.48)	(5.52)
	Closing Defined Benefit Obligation	**105.49**	**84.77**

	Reconciliation of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
ii)	Opening value of plan assets	0.01	0.01
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.00	0.03
	Return on plan assets excluding amounts included in interest income	-	(0.03)
	Assets Distributed on settlements	-	-
	Contribution by the company	-	-
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	**0.01**	**0.01**

	Reconciliation of net defined benefit liability	Year Ended 31st March, 2025	Year Ended 31st March, 2024
iii)	Net opening provision in books of accounts	84.76	67.58
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per note 26	30.05	20.01
	Amounts recognized in Other Comprehensive Income	(5.86)	2.69
	Total	**112.12**	**87.59**
	Benefits paid by the Company	(3.48)	(5.52)
	Contributions to plan assets	**-**	**-**
	Closing provision in books of accounts	**105.48**	**84.76**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

	Composition of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
iv)	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Policy of Insurance	100.00%	100.00%
	Total	**100.00%**	**100.00%**

	Expense recognised during the year	Year Ended 31st March, 2025	Year Ended 31st March, 2024
v)	Current service cost	24.88	15.64
	Interest cost	5.17	4.36
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**30.05**	**20.00**

	Other comprehensive income	Year Ended 31st March, 2025	Year Ended 31st March, 2024
vi)	Components of actuarial gains/losses on obligations:		
	Due to change in financial assumptions	2.86	0.60
	Due to change in demographic assumptions	-	-
	Due to experience adjustments	(8.72)	2.06
	Return of plan assets excluding amounts included in interest income	-	0.03
	Amounts recognized in Other Comprehensive (Income)/Expense	**(5.86)**	**2.69**

	Principal actuarial assumptions	Year Ended 31st March, 2025	Year Ended 31st March, 2024
vii)	Discount rate (per annum)	6.60%	7.15%
	Rate of return on plan assets (per annum)	7.36%	7.36%
	Annual increase in salary cost	6.00%	6.00%
	Withdrawal rates per annum		
	25 and below	25%	25%
	26 to 35	25%	25%
	36 to 45	20%	20%
	46 to 55	10%	10%
	56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

viii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	108.24	102.88	86.84	82.81
(% change compared to base due to sensitivity)	2.61%	-2.48%	2.44%	-2.32%
Salary growth rate (- / + 0.5%)	102.89	108.22	82.78	86.85
(% change compared to base due to sensitivity)	-2.46%	2.58%	-2.35%	2.45%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R. x 110%)	107.69	103.39	86.05	83.53
(% change compared to base due to sensitivity)	2.09%	-1.99%	1.50%	-1.47%

ix) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

x) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 5 years.

Particulars	Cash flows (₹)	Distributions(%)
1st Following year	19.63	12.40%
2nd Following year	12.46	7.90%
3rd Following year	12.32	7.80%
4th Following year	11.99	7.60%
5th Following year	12.93	8.20%
Sum of years 6 to 10	47.81	30.20%

The future accrual is not considered in arriving at the above cash-flows.

xi) The expected contribution for the next year is ₹31.81 lakhs

Arman Standalone Financial Statements

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

27 Depreciation & Amortisation

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation of Property, Plant & Equipment	35.01	18.24
Amortisation of Intangible Asset	2.01	0.63
Total	**37.02**	**18.87**

28 Other Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Electricity & fuel charges	24.03	20.85
Repairs to Building	10.17	8.52
Insurance	17.43	10.45
Collection Expense	83.40	70.09
Rent (Refer Note 33)	158.43	104.21
Rates & taxes	19.96	21.82
Bank Charges	42.99	21.54
Stationery & printing	38.43	32.74
Advertisement expenses	0.71	1.05
Communication	15.96	18.53
Traveling & conveyance expenses	375.02	276.06
Professional fees	231.58	171.54
Loss/(Profit) on Derecognition of Investment for financial guarantee	447.70	206.25
Loss/(Profit) on Disposal of Property, Plant & Equipment	-	3.57
Auditor's Remuneration*		
Audit fees	11.17	8.72
For Others	0.64	3.74
For Certification	0.43	-
	12.24	**12.46**
Corporate social responsibility expenditure (Refer Note 32)	66.58	40.86
Director sitting fees	7.49	6.63
Marketing & incentive expenses	100.04	118.37
General charges (including security charges & membership fees etc.)	102.59	85.71
	1,754.75	**1,231.25**

*In FY 23-24, Audit remuneration for special purpose audit assignment for Qualified Institutions Placement (Equity Issue) of ₹23.45 Lakhs is directly provided in Security Premium as cost of equity.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

29 Tax Expenses

The Components of income tax expense for the Year ended March 31, 2025 and Year ended March 31, 2024 are:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current Tax	1,745.20	1,049.30
Adjustment in respect of current tax of prior years	-	35.65
Deferred tax	(262.45)	(39.73)
Total Tax Expense	**1,482.75**	**1,045.22**
Total tax charge		
Current Tax	1,745.20	1,084.95
Deferred Tax	(262.45)	(39.73)

29.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the Year ended March 31, 2025 and Year ended March 31, 2024 is, as follows:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Accounting profit before tax expense	5,799.71	4,835.03
Income tax rate %	25.17%	25.17%
Computed tax expense	**1,459.67**	**1,216.88**
Tax effect of:		
Exempted Items	8.30	(78.59)
Additional deduction	(593.39)	(497.26)
Non Deductible items	591.94	307.30
Adjustment on Account of Change in Tax Rate	(0.70)	(1.06)
Others	16.93	97.96
Tax expense Recognised in the Statement of Profit and Loss	**1,482.75**	**1,045.22**
Difference	0.00	-
Effective Tax Rate	**25.57%**	**21.62%**

30 Earnings per share:

Particulars		31st March 2025	31st March 2024
Numerator used for calculating Basic Earning per share (PAT)	In ₹	4,316.96	3,789.81
Dilutive impact of Employee Share Options Scheme	In ₹	-	-
Dilutive impact of Compulsorily Convertible Debentures	In ₹	-	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	In ₹	-	-
Numerator used for calculating Diluted Earning per share (PAT)	In ₹	4,316.96	3,789.81
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	**1,04,84,781**	**89,00,944**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particulars		31st March 2025	31st March 2024
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares	86,578	1,03,641
Dilutive impact of Compulsorily Convertible Debentures	Shares	-	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares	-	-
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	**1,05,71,359**	**90,04,585**
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	41.17	42.58
Diluted earnings per share	In ₹	40.84	42.09

30.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	Tier 1 & 2 Capital	Tier 1 Capital	Tier 2 Capital	Highly Liquid Assets
Denominator	Risk weighted Assets	Risk weighted Assets	Risk weighted Assets	Total net cash outflows over the next 30 days
Year ended March 31, 2025				
Numerator	29,142.31	28,556.96	585.35	1,722.20
Denominator	78,046.08	78,046.08	78,046.08	694.98
Ratio	37.34%	36.59%	0.75%	247.80%
Year ended March 31, 2024				
Numerator	30,880.26	30,264.98	615.28	9,277.53
Denominator	49,222.77	49,222.77	49,222.77	2,477.36
Ratio	62.74%	61.49%	1.25%	374.49%
% Variance	-40.48%	-40.49%	-40.00%	-33.83%
Reason for variance (if above 25%)	30% loan growth and MSME risk weight hike to 125% raised risk-weighted assets and ₹70 Cr equity infusion in subsidiary led to Tier I deduction. Portion of standard asset provision in Tier II reduced from 1.25% to 0.75%.	30% loan growth and higher MSME risk weights (125%) led to increased risk-weighted assets and ₹70 Cr infused as equity in wholly-owned subsidiary.	For improving our NPA provision coverage, portion of standard asset provisions in Tier II is reduced from 1.25% to 0.75%.	The Company had raised equity of ₹230 Crs in December 2023 which resulted in high liquidity on March 2024. During the FY 24-25, the equity was deployed while maintaining a comfortable liquidity.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

31. Contingent liabilities not provided for and Commitments:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
(A) Contingent liabilities		
Guarantees given on behalf of subsidiary company to banks & FIs		
Amount of guarantees	50,600.00	78,280.00
Amount of loans outstanding (Note 1)	15,325.12	43,955.14
(B) Disputed Demand of Tax		
i) Income Tax Act (Company has paid under protest ₹148.56 Lakhs (P.Y. ₹148.56 Lakhs), which is shown under "Current Tax Liability (net) / Current Tax Asset (net)") (Note 2)	787.33	787.33
ii) TDS	-	-
(C) Commitments:		
Land Acquisition	0.00	1171.00

Notes:

1. Guarantees are given by the Company to various banks and Financial Institution on behalf of Subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.
2. Out of the total contingent liability of ₹787.33 lakhs, an amount of ₹25.11 lakhs for AY 11-12 and AY 2009-10 relates to tax demands for which appeals were filed and orders have already been received from the CIT(A). However, the Income Tax Department has not yet passed the order giving effect to these appellate orders, which would reduce the corresponding tax demands. The remaining amount of ₹762.22 lakhs for AY 12-13 is under appeal before the CIT(A).

32. Corporate Social Responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR is ₹66.58 Lakhs (March 31, 2024: ₹40.86 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Sr. No.	Particulars	In Cash	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	22.86	43.72	-	66.58

Reason for shortfall in current year: NA

Nature of CSR activities: To provide financial support to build healthcare center & philanthropic support to the needy people of the society.

Note: Out of ₹22.86 Lakhs spent, ₹2.51 Lakh pertains to excess amount spent in previous financial year 2023-2024.

33. Leasing Arrangements:

The company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. All lease agreements are cancellable at the discretion of the lessee i.e. The company by serving a notice to the lessor and hence there are no obligation or commitments with reference to such short-term lease as at reporting date.

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Expenses related to short term lease	158.43	104.21

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

34. Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Subsidiary Company

Namra Finance Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

Mr. Jaimish Patel (Company Secretary)

C) Non-Executive Director and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. Yash. K. Shah	Independent Director
Mr. Ramakant Nagpal (Resigned on 02/07/2024)	Independent Director
Mrs. Geetaben Solanki	Independent Director
Mrs. Ritaben Patel	Non-Executive Director
Mr. Aakash Patel	Non-Executive Director
Jayendra Patel (HUF)	Key Managerial personnel is Karta
Mrs. Sajni Aalok Patel	Close Member of Key Management Personnel
Aalok Patel (HUF)	Key Managerial personnel is Karta
Aakash Patel (HUF)	Director is Karta
Mr. Pinakin Shah (Appointed on 14/08/2024)	Independent Director

D) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year

Name of Party	Related party Relationship
Raaj Enterprise	Key Managerial personnel is proprietor
Arman Foundation	Key Managerial personnel is Trustee
J. B. Patel & Co.	Key Managerial personnel is co-owner
Namra Holdings & Consultancy Services LLP	Key Managerial Personnel are partners

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

E) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended 31st March 2025 (₹ in Lakhs)				
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Income					
Corporate Financial Guarantee Income	342.03	-	-	-	342.03
Interest Income	86.25	-	-	-	86.25
Expenses					
Remuneration & perquisites Paid	-	79.88	-	-	79.88
Sitting fees	-	-	7.49	-	7.49
Loss on Derecognition of Investment for financial guarantee	447.70	-	-	-	447.70
Interest expenses	335.08	58.00	76.89	102.13	572.09
Rent paid	-	-	0.20	-	0.20
CSR Expenses	-	-	-	1.00	1.00
Investment in Subsidiary					
Investment on account of acquisition of equity shares in right issue of subsidiary	7,000.00	-	-	-	7,000.00
Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary	461.49	-	-	-	461.49
Unsecured Loan					
Unsecured Loan Taken	39,819.03	487.94	599.57	795.50	41,702.03
Unsecured Loan Repaid (Including Interest)	37,296.62	545.94	676.45	897.63	39,416.64
Unsecured Loan Given	31,270.62	-	-	-	31,270.62
Unsecured Loan Given Received Back (Including interest)	31,356.86	-	-	-	31,356.86
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹ Nil lakhs)	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	Year Ended 31st March 2024 (₹ in Lakhs)				
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Income					
Corporate Financial Guarantee Income	472.12	-	-	-	472.12
Interest Income	187.44	-	-	-	187.44
Expenses					
Remuneration & perquisites Paid	-	70.87	-	-	70.87
Sitting fees	-	-	6.63	-	6.63
Loss on Derecognition of Investment for financial guarantee	206.25	-	-	-	206.25
Interest expenses	19.75	40.33	52.67	85.87	198.61
Rent paid	-	-	0.21	-	0.21
CSR Expenses	-	-	-	-	-
Investment in Subsidiary					
Investment on account of acquisition of equity shares in right issue of subsidiary	8,000.00	-	-	-	8,000.00
Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary	421.96	-	-	-	421.96
Unsecured Loan					
Unsecured Loan Taken	3,074.84	346.40	394.82	689.46	4,505.52
Unsecured Loan Repaid (Including Interest)	4,107.73	386.72	447.49	775.33	5,717.27
Unsecured Loan Given	25,804.78	-	-	-	25,804.78
Unsecured Loan Given Received Back (Including interest)	25,992.21	-	-	-	25,992.21
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹35,000 lakhs)	37,500.00	-	-	-	37,500.00

F) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

i. Unsecured Loans Given and Repayments

Unsecured loan Given (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	31,270.62	25,804.78

Unsecured Loan Given Received Back (Including interest) (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	31,356.86	25,992.21

ii. Unsecured Loans Taken and Repayments

Unsecured loan taken (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Aakash Patel (HUF)	254.97	232.72
2	Aalok Jayendra Patel	13.00	8.97
3	Aalok Jayendra Patel (HUF)	2.10	2.07
4	Jayendra Bhailal Patel	474.94	337.43
5	Jayendra Bhailal Patel (HUF)	29.50	26.73
6	Namra Holding & Consultancy Services LLP	760.00	656.30
7	Namra Finance Limited	39819.03	3,074.84
8	Raaj Enterprise	35.50	33.16
9	Ritaben Patel	313.00	133.30

Unsecured Loan Repaid (Including Interest) (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Aakash Patel (HUF)	288.89	264.29
2	Aalok Jayendra Patel	14.47	10.16
3	Aalok Jayendra Patel (HUF)	2.39	2.36
4	Jayendra Bhailal Patel	531.47	376.57
5	Jayendra Bhailal Patel (HUF)	33.40	30.29
6	Namra Holding & Consultancy Services LLP	857.31	737.73
7	Namra Finance Limited	37296.62	4,107.73
8	Raaj Enterprise	40.32	37.60
9	Ritaben Patel	351.76	150.56

iii. Income

Corporate Financial Guarantee Income (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	342.03	472.12

Interest Income (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	86.25	187.44

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

iv. Expenses

Interest expenses (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Aakash Patel (HUF)	33.93	31.56
2	Aalok Patel	1.47	1.19
3	Aalok Patel (HUF)	0.29	0.29
4	Jayendra Patel	56.53	39.14
5	Jayendra Patel (HUF)	3.90	3.56
6	Namra Holding & Consultancy Services LLP	97.31	81.43
7	Namra Finance Limited	335.08	19.75
8	Raaj Enterprise	4.82	4.44
9	Ritaben Patel	38.76	17.26

Remuneration and perquisites (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Aalok Jayendra Patel	10.98	10.38
2	Jaimish Govindbhai Patel	13.23	11.74
3	Jayendra Bhailal Patel	22.49	21.21
4	Vivek Arun Modi	33.18	27.53

The remuneration of key management personnels are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

Sitting fees Paid (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Alok Prasad	2.48	2.08
2	Geeta Solanki	0.81	0.85
3	Ramakant Nagpal	0.37	1.48
4	Ritaben Patel	1.11	1.00
5	Yash Shah	1.86	1.23
6	Pinakin Shah	0.87	0.00

Rent paid (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	J. B. Patel & Co.	0.20	0.21

CSR Expenses (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Arman Foundation	1.00	-

Loss on Derecognition of Investment for financial guarantee (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	447.70	206.25

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

v. Remuneration and perquisites (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited (Investment on account of acquisition of equity shares in right issue of subsidiary)	7000.00	8,000.00
2	Namra Finance Limited (Net Investment on account of capital contribution in form of share-based payment to employees of subsidiary)	461.49	421.96

vi. Loss on Derecognition of Investment for financial guarantee (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	0.00	37,500.00

G) Outstanding balances with related parties in ordinary course of business

i. Outstanding Credit Balance of Salary Payables as Follows (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Jayendra Patel	-	-
2	Aalok Patel	-	-
3	Vivek Modi	-	-
4	Jaimish Patel	-	-

ii. Outstanding Credit Balance of Related Parties are as follows: (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	2,857.48	-

iii. Investments in subsidiary company# (₹ In Lakhs)

SRN	Particulars	2024-25	2023-24
1	Namra Finance Limited	35,126.21	28,112.41

#Including investments on account of: (a) Corporate financial guarantee given to bank on behalf of subsidiary (b) Issuance of equity shares to the employees of subsidiary at discount

H) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows: (₹ In Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Post-employment benefits	5.66	5.25
Share Based Payment	48.03	37.43
Total	**53.69**	**42.68**

36. There have been no events after the reporting date that require disclosure in these financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

37. Public Disclosure on Liquidity Risk for the year ended March 31, 2025 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (₹ in Lakhs)*	% of Total Deposits	% of Total liabilities[3]
As at March 31, 2025	17	36,887.73	0%	85.72%
As at March 31, 2024	14	25,373.11	0%	80.05%

*Includes securitization liabilities exposure

(ii) Top 20 large deposits (₹ In Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (₹ In Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total amount of top 10 borrowings*	32,114.15	22,437.61
Percentage of amount of top 10 borrowings to total borrowings	74.63%	76.13%

*Includes securitization liabilities exposure

(iv) Funding concentration based on significant instrument/product[2] (₹ In Lakhs)

Sr. No.	Name of the instrument/product	As at 31st March, 2025		As at 31st March, 2024	
		Amount	% of Total Liabilities[3]	Amount	% of Total Liabilities[3]
1	Non-Convertible Debentures	14,065.60	32.69%	16,745.14	53.46%
2	Term Loan from Banks	4,108.80	9.55%	927.61	2.96%
3	Term Loan from Financial Institutions	9,898.07	23.00%	5,964.93	19.04%
4	Inter Corporate Deposit	2,857.48	6.64%	0.00	0.00%
5	Securitization Liabilities	5,205.72	12.10%	827.16	2.64%
6	Subordinated Debts	0.00	0.00%	500.00	1.60%
7	Short Term Funding	5,172.40	12.02%	4,135.47	13.20%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

(v) Stock ratios:

Sr. No.	Particulars	As at 31st March, 2025			As at 31st March, 2024		
		As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets	As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets
(a)	Commercial papers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b)	Non-convertible debentures (remaining maturity of less than one year)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c)	Other short-term liabilities[5]	69.49%	66.70%	28.25%	59.60%	55.37%	20.45%

*Notes:

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company –

Scale Based Regulation) Directions, 2023.

5. Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2025 and March 31, 2024.

38. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	Note No.	As at 31st March, 2025			As at 31st March, 2025		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	480.94	-	**480.94**	6,952.26	-	**6,952.26**
Bank Balance other than above	2	6,700.96	196.76	**6,897.72**	6,931.29	48.52	**6,979.81**
Loans	3	37,001.55	18,270.78	**55,272.33**	25,923.92	14,760.07	**40,683.99**
Investments	4	454.00	34,672.21	**35,126.21**	420.70	27,691.71	**28,112.41**
Other Financial assets	5	443.07	5.61	**448.68**	1,266.45	0.28	**1,266.73**
Non-financial Assets							

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	Note No.	As at 31st March, 2025			As at 31st March, 2025		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Current tax assets (Net)	6	-	-	**-**	54.98	-	**54.98**
Deferred tax Assets (Net)	7	676.83	-	**676.83**	410.91	-	**410.91**
Property, Plant and Equipment	8	-	2,530.66	**2,530.66**	-	172.56	**172.56**
Other Intangible assets	8	-	9.56	**9.56**	-	6.92	**6.92**
Capital Work-in-progress	8	-	19.62	**19.62**	-	-	**-**
Other non-financial assets	9	150.23	-	**150.23**	171.05	-	**171.05**
Total Assets		**45,907.58**	**55,705.20**	**1,01,612.78**	**42,131.56**	**42,680.06**	**84,811.63**
LIABILITIES AND EQUITY							
Financial Liabilities							
Trade Payables	10	22.05	-	**22.05**	38.08	-	**38.08**
Debt Securities	11	8,981.25	4,972.33	**13,953.58**	7,810.89	8,934.25	**16,745.14**
Borrowings (Other than Debt Securities)	12	19,555.32	7,614.71	**27,170.03**	9,031.64	2,823.54	**11,855.18**
Subordinated Liabilities	13	-	-	**-**	500.00	-	**500.00**
Other financial liabilities	14	880.77	2.38	**883.15**	1,287.41	123.71	**1,411.12**
Non-Financial Liabilities							
Provisions	15	31.81	73.67	**105.48**	24.88	59.88	**84.76**
Current Tax Liabilities (Net)	6	648.84	-	**648.84**	-	-	**-**
Other non-financial liabilities	16	239.09	10.38	**249.47**	536.06	153.10	**689.16**
EQUITY							
Equity Share capital	17	-	1,049.05	**1,049.05**	-	1,047.68	**1,047.68**
Other Equity	18	-	57,531.13	**57,531.13**	-	52,440.51	**52,440.51**
Total Liabilities and Equity		**30,359.13**	**71,253.65**	**1,01,612.78**	**19,228.96**	**65,582.67**	**84,811.63**

39 Fair Value Measurements

A Financial instrument by category and their fair value

As at 31st March, 2025	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	2,750.00	52,522.33	-	-	-	55,272.33	55,272.33
Cash and Cash Equivalents	1	480.94	-	-	480.94	-	-	480.94
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	7,159.33	-	-	-	7,159.33	-	7,159.33
Investments	4	34,537.21	-	589.00	-	-	35,126.21	35,126.21
Security Deposits	5	12.27	-	-	-	-	12.27	12.27

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

As at 31st March, 2025	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Other Advance	5	90.81	-	-	-	-	90.81	90.81
Interest Due but not Received on Loans and Advances	5	83.99	-	-	-	-	83.99	83.99
Total Financial Assets		**45,114.55**	**52,522.33**	**589.00**	**480.94**	**7,159.33**	**90,585.61**	**98,225.88**
Financial Liabilities								
Trade Payable	10	22.05	-	-	-	-	22.05	22.05
Debt Securities	11	13,953.58	-	-	-	-	13,953.58	13,953.58
Borrowings (Other than Debt Securities)	12	27,170.03	-	-	-	-	27,170.03	27,170.03
Subordinated Liabilities	13	-	-	-	-	-	-	-
Other financial liabilities	14	883.15	-	-	-	-	883.15	883.15
Total Financial Liabilities		**42,028.81**	**-**	**-**	**-**	**-**	**42,028.81**	**42,028.81**

As at 31st March, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	40,683.99	-	-	-	40,683.99	40,683.99
Cash and Cash Equivalents	1	6,952.26	-	-	6,952.26	-	-	6,952.26
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	7,121.09	-	-	-	7,121.09	-	7,121.09
Investments	4	27,075.71	-	1,036.70	-	-	28,112.41	28,112.41
Security Deposits	5	9.11	-	-	-	-	9.11	9.11
Other Advance	5	1,083.79	-	-	-	-	1,083.79	1,083.79
Interest Due but not Received on Loans and Advances	5	32.54	-	-	-	-	32.54	32.54
Total Financial Assets		**42,274.50**	**40,683.99**	**1,036.70**	**6,952.26**	**7,121.09**	**69,921.84**	**83,995.19**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

As at 31st March, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Trade Payable	10	38.08	-	-	-	-	38.08	38.08
Debt Securities	11	16,745.14	-	-	-	-	16,745.14	16,745.14
Borrowings (Other than Debt Securities)	12	11,855.18	-	-	-	-	11,855.18	11,855.18
Subordinated Liabilities	13	500.00	-	-	-	-	500.00	500.00
Other financial liabilities	14	1,411.12	-	-	-	-	1,411.12	1,411.12
Total Financial Liabilities		**30,549.52**	**-**	**-**	**-**	**-**	**30,549.52**	**30,549.52**

B Reconciliation of level 3 fair value measurement is as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	**40,683.99**	**29,696.88**
Addition during the year	42,784.05	32,750.02
Amount derecognised / repaid during the year	(25,065.11)	(20,661.85)
Amount written off	(2,131.73)	(703.88)
Gains/(losses) recognised in Statement of Profit or Loss	(998.87)	(397.18)
Balance at the end of the year	**55,272.33**	**40,683.99**

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. .

D2 Regulatory capital

Particulars	As at 31st March, 2025	As at 31st March, 2024
Tier 1 Capital	28,556.96	30,264.98
Tier 2 Capital	585.35	615.28
Risk Weighted Assets	**78,046.08**	**49,222.77**
Tier 1 Capital Ratio(%)	36.59%	61.49%
Total Capital Ratio(%)	**37.34%**	**62.74%**

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at 31st March, 2025	As at 31st March, 2024
Retail assets (Refer Note 3)	52,536.33	40,683.99
Inter corporate deposits (Refer Note 3)	2,736.00	-
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-
Total	**55,272.33**	**40,683.99**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups.

a TW and LAP Loans

b SME Loans

c Retail Asset Channel Loans

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
   a) Outstanding balance
   b) Recovery amount (discounted yearly) by initial contractual rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening provision of ECL	1,722.09	1,324.92
Addition during the year	2,897.33	1,888.87
Utilization / reversal during the year	(1,898.45)	(1,491.70)
Closing provision of ECL	**2,720.97**	**1,722.09**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

II Liquid Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2025 is 37.34% against regulatory norms of 15%. Tier I capital is 36.59% as against requirement of 10%. Tier II capital is 0.75% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total FDOD & CC limit available to the Company is ₹377.6 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month to 2 Months	Over 2 Months up to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
As at 31st March, 2025									
Debt Securities (Refer Note 11)	602.53	-	2,883.60	584.50	4,910.62	4,972.33	-	-	13,953.58
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	1,645.05	1,821.09	973.57	8,406.59	6,709.01	7,614.72	-	-	27,170.03
Trade Payables	22.05	-	-	-	-	-	-	-	22.05
As at 31st March, 2024									
Debt Securities (Refer Note 11)	2,589.31	-	-	3,066.13	2,155.45	8,934.25	-	-	16,745.14
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	3,892.59	1,330.50	1,023.36	1,439.65	1,845.55	2,823.53	-	-	12,355.18
Trade Payables	-	38.08	-	-	-	-	-	-	38.08

III Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Sensitivity

The sensitivity analysis has been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

	For the year ended on 31st March, 2025	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits	6,897.72	6,897.72
Impact on profit for the year	34.49	(34.49)
Variable Rate Borrowings	15,284.87	15,284.87
Impact on profit for the year	(76.42)	76.42

V Foreign currency risk:

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

41. Stock Option Scheme

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023' ("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2025, Company has granted 12,350 new stock options under the scheme of ESOP 2023 (P.Y. 1,000 and 1,48,600 options granted under the scheme of ESOP 2016 and ESOP 2023, respectively).

Details of grant and exercise of such options are as follows:

Schemes	Tranches	No. of options granted	Date of grant	No of Employees	F.Y.	No. of employees who have exercised the option	No. of options exercised
ESOP-2016	ESOP-2016 -1	97,500	May 26, 2017	55	2018-19	49	27,645
					2019-20	48	26,595
					2020-21	45	34,340
	ESOP-2016 -2	9,000	May 25, 2018	3	2019-20	2	2,400
					2020-21	2	2,400
					2021-22	2	3,200
	ESOP-2016 -3	2,500	October 13, 2018	1	2019-20	1	750
					2020-21	1	750
	ESOP-2016-4	3,500	Feb 12, 2021	6	2022-23	5	750
					2023-24	4	645
					2024-25	4	860
	ESOP-2016-5	2,000	Feb 14, 2022	2	2023-24	2	600
					2024-25	1	300
	ESOP-2016-6	4,500	Feb 14, 2023	2	2024-25	1	750
	ESOP-2016-7	1,000	Aug 14, 2023	1	2024-25	1	300
ESOP-2023	ESOP-2023-1	1,48,600	Aug 14, 2023	730	2024-25	497	11,554
	ESOP-2023-2	12,350	Aug 14, 2024	30	2024-25	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Key terms and conditions related to the grant of the stock options are as follows:

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of board meeting, where ESOP were approved	11 August 2016
Date of committee meeting where grant of options was approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,20,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 30% End of 1 Year
	2. 30% End of 2 Years
	3. 40% End of 3 Years
	Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Particulars	ESOP 2023
Date of Grant	August 14, 2023 and August 14, 2024
Date of board meeting, where ESOP were approved	May 30, 2023
Date of committee meeting where grant of options were approved	August 14, 2023 and August 14, 2024
Date of Shareholder's approval	July 4, 2023
No. of options granted	1,60,950 out of 3,00,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 10% End of 1 Year
	2. 20% End of 2 Years
	3. 30% End of 3 Years
	4. 40% End of 4 Years
Exercise period	It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Details of Vesting and Exercise of Options Scheme:

Vesting Date	ESOP-2016		ESOP-2023	
	Vested Options	No of Option Exercised	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645	-	-
May 25, 2019	2,700	2,400	-	-
May 26, 2019	28,485	26,595	-	-
October 13, 2019	750	750	-	-
May 25, 2020	34,660	34,340	-	-
May 26, 2020	2,400	2,400	-	-
October 13, 2020	750	750	-	-
May 24, 2021	3,200	3,200	-	-
February 12, 2022	1,050	750	-	-
February 11, 2023	750	645	-	-
February 13, 2023	600	600	-	-
February 11, 2024	860	860	-	-
February 13, 2024	1,050	1,050	-	-
August 13, 2024	300	300	11,810	11,554

The following table sets forth a summary of ESOP schemes:

Particulars	ESOP-2016		ESOP-2023	
	2024-25	2023-24	2024-25	2023-24
Options outstanding at the beginning of the year	5,060	8,250	1,27,040	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	-	1,000	12,350	1,48,600
Forfeited during the year	-	-	-	-
Exercised during the year	2,210	1,245	11,554	-
Lapsed during the year	-	2,945	14,880	21,560
Outstanding at the end of the year	2,850	5,060	1,12,956	1,27,040
Exercisable at the end of the year	1,150	1,910	256	-
Weighted average exercise price per option	₹50/-	₹50/-	₹500/-	₹500/-

Share options outstanding at the end of the year have the following contractual expiry date and exercise options:

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding	
					As at March 31, 2025	As at March 31, 2024
ESOP-2016-4	12-Feb-21	1,400	11-Feb-24	50	-	860
ESOP-2016-5	14-Feb-22	600	13-Feb-24	50	-	300
	14-Feb-22	800	13-Feb-25	50	400	400
ESOP-2016-6	14-Feb-23	1,350	13-Feb-24	50	-	750
	14-Feb-23	1,350	13-Feb-25	50	750	750
	14-Feb-23	1,800	13-Feb-26	50	1,000	1,000

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding	
					As at March 31, 2025	As at March 31, 2024
ESOP-2016-7	14-Aug-23	300	13-Aug-24	50	-	300
	14-Aug-23	300	13-Aug-25	50	300	300
	14-Aug-23	400	13-Aug-26	50	400	400
ESOP-2023-1	14-Aug-23	14,860	13-Aug-24	500	256	12,704
	14-Aug-23	29,720	13-Aug-25	500	22,300	25,408
	14-Aug-23	44,580	13-Aug-26	500	33,450	38,112
	14-Aug-23	59,440	13-Aug-27	500	44,600	50,816
ESOP-2023-2	14-Aug-24	1,235	13-Aug-25	500	1,235	-
	14-Aug-24	2,470	13-Aug-26	500	2,470	-
	14-Aug-24	3,705	13-Aug-27	500	3,705	-
	14-Aug-24	4,940	13-Aug-28	500	4,940	-
			Total		1,15,806	1,32,100

Measurement of fair values

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

Tranches	Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value of option
ESOP-2016-4	12-Feb-21	11-Feb-24	50.97%	50	729.90	5.00%	687.15
ESOP-2016-5	14-Feb-22	13-Feb-24	50.97%	50	747.65	4.93%	702.61
	14-Feb-22	13-Feb-25	50.97%	50	747.65	5.40%	705.43
ESOP-2016-6	14-Feb-23	13-Feb-24	22.02%	50	1,511.00	7.93%	1,465.25
	14-Feb-23	13-Feb-25	22.02%	50	1,511.00	7.31%	1,468.18
	14-Feb-23	13-Feb-26	22.02%	50	1,511.00	7.39%	1,471.30
ESOP-2016-7	14-Aug-23	13-Aug-24	45.00%	50	2,308.00	7.07%	2,261.81
	14-Aug-23	13-Aug-25	45.00%	50	2,308.00	7.29%	2,265.16
	14-Aug-23	13-Aug-26	45.00%	50	2,308.00	7.31%	2,268.20
ESOP-2023-1	14-Aug-23	13-Aug-24	45.00%	500	2,308.00	7.28%	1,876.55
	14-Aug-23	13-Aug-25	45.00%	500	2,308.00	7.31%	1,909.50
	14-Aug-23	13-Aug-26	45.00%	500	2,308.00	7.33%	1,941.18
	14-Aug-23	13-Aug-27	45.00%	500	2,308.00	7.33%	1,970.87
ESOP-2023-2	14-Aug-24	13-Aug-25	45.00%	500	1,798.40	6.85%	1,348.14
	14-Aug-24	13-Aug-26	45.00%	500	1,798.40	6.91%	1,382.15
	14-Aug-24	13-Aug-27	45.00%	500	1,798.40	6.92%	1,415.13
	14-Aug-24	13-Aug-28	45.00%	500	1,798.40	6.88%	1,445.70

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

42. The Board of Directors has not recommended any dividend for the financial year 2024-25.

43. Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard:

(₹ In lakhs)

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage 1	55,144.51	1,075.47	54,069.04	222.56	852.91
	Stage 2	970.13	287.09	683.04	3.91	283.18
Subtotal		**56,114.64**	**1,362.56**	**54,752.08**	**226.47**	**1,136.09**
B. Non-Performing Assets						
Sub standards	Stage 3	1,829.20	1,308.95	520.25	183.61	1,125.34
Doubtful up to 1 year	Stage 3	19.72	19.72	-	19.72	-
1 to 3 years	Stage 3	18.43	18.43	-	18.43	-
More than 3 years	Stage 3	11.31	11.31	-	11.31	-
Subtotal for Doubtful	Stage 3	**49.46**	**49.46**	**-**	**49.46**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,878.66**	**1,358.41**	**520.25**	**233.07**	**1,125.34**
Total	Stage 1	55,144.51	1,075.47	54,069.04	222.56	852.91
	Stage 2	970.13	287.09	683.04	3.91	283.18
	Stage 3	1,878.66	1,358.41	520.25	233.07	1,125.34
	Total	**57,993.30**	**2,720.97**	**55,272.33**	**459.54**	**2,261.43**

44. Disclosures required in terms of Section II of Annex VII Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 are mentioned as below **(Regulatory (Non-IND AS) Information):**

A. Capital to risk assets ratio (CRAR) : (₹ in Lakhs)

Sr. No.	Particulars	31st March, 2025	31st March, 2024
(i)	CRAR (%)	37.34%	62.74%
(ii)	CRAR Tier I Capital (%)	36.59%	61.49%
(iii)	CRAR Tier II Capital (%)	0.75%	1.25%
(iv)	Amount of subordinated debt raised as Tier-II Capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

B. Investments (₹ in Lakhs)

Particulars			31st March, 2025	31st March, 2024
(1)	**Value of investments**		35,126.21	28,112.41
	(i)	**Gross value of investments**		
		(A) In India	35,126.21	28,112.41
		(B) Outside India	-	-
	(ii)	**Provision for deprecation**		
		(A) In India	-	-
		(B) Outside India	-	-
	(iii)	**Net value of investments**		
		(A) In India	35,126.21	28,112.41
		(B) Outside India	-	-
(2)	**Movement of provisions held towards Depreciation on investments**			
	(i)	Opening balance	-	-
	(ii)	Add: provisions made during the year	-	-
	(iii)	Less: write-off/write-back of excess provisions during the year.	-	-
	(iv)	Closing balance	-	-

C. Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

D. Disclosure relating to securitization :

The Company has entered into transaction of Securitization (PTC) of ₹5,205.72 Lakhs during the Year Ended March 31, 2025 (Previous Years: ₹ Nil). (₹ in Lakhs)

Sr No	Particulars	As at 31st March, 2025	As at 31st March, 2024
1)	No of SPVs sponsored by the company for securitization transactions	1	1
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	5,205.72	827.16
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	578.41	198.92
	• Others	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Sr No	Particulars	As at 31st March, 2025	As at 31st March, 2024
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

E. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction:

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year. (Previous year Nil).

F. Details of assignment transactions undertaken by NBFC: (₹ in Lakhs)

Sr. No.	Particulars	As at March 31,2025	As at March 31,2024
i)	No. of Accounts	-	4,533
ii)	Book value of loans assets assigned during the year	-	2,616.65
iii)	Sale consideration received during the year	-	2,354.99
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	-	214.76

G. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

H. Assets Liability Management :

Maturity pattern of certain Assets and Liability as on March 31, 2025 (₹ in Lakhs)

Particulars	1-7 days	8-14 days	15-30 days	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 year	Total
Deposits	-	-	-	-	-	-	12.27	-	-	-	12.27
Advances	1,672.21	366.95	581.28	3,493.86	3,279.83	10,421.03	17,186.40	16,822.59	1,088.83	359.35	55,272.33
Investments	-	-	-	22.50	93.00	134.00	204.50	135.00	-	34,537.21	35,126.21
Cash & cash Equivalents	480.94	-	-	-	-	-	-	-	-	-	480.94
Bank balance other than above	-	-	4.20	3,603.66	-	1.94	3,091.16	196.76	-	-	6,897.72
Borrowings (Including debt securities)	1,105.68	-	1,141.91	1,821.09	3,857.16	8,991.09	11,619.63	12,587.05	-	-	41,123.61
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

I. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

J. Exposure to Real Estate Sector

The Company has directly or indirectly exposure to real estate sector as under:

Category	As at 31st March, 2025	As at 31st March, 2024
i) Direct exposure		
a) Residential Mortgages – (Lending fully secured by mortgages on residential property)	2,744.05	208.88
b) Commercial Real Estate – (Lending secured by mortgages on commercial real estate)	2,291.42	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure (Exposures on NHB and HFCs)	-	-
Total Exposure to Real Estate Sector	**5,035.47**	**208.88**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

K. Details of financing of parent Company products:

This disclosure is not applicable as the Company does not have any holding / parent Company.

L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

(i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: **Nil**

(ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: **Nil**

M. Unsecured Advances

i) Refer Note No. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (March 31, 2024: **Nil**)

N. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

i) Ministry of Corporate Affairs

ii) Ministry of Finance

O. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

P. Rating assigned by credit rating agencies and migration of ratings during the year for 2024-25

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to (Refer Note 1)	Borrowing limits or conditions imposed by rating agency
Bank Loan Ratings	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed	May 2026	70.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed	May 2026	49.80 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	07-05-2025	ACUITE A | Negative | Reaffirmed	May 2026	49.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	07-01-2025	CARE A- | Stable	January 2026	39.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	07-01-2025	CARE A- | Stable	January 2026	58.50 Crore
Securitization (Crest 2025 PTC Series A1)	ICRA	15-04-2025	ICRA A (SO)	April 2026	52.06 Crore

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2023-24

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to (Refer Note 1)	Borrowing limits or conditions imposed by rating agency
Bank Loan Ratings	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed	Apr-25	70.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Assigned	Apr-25	50.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed	Apr-25	80.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	PP-MLD | ACUITE A- | Stable | Reaffirmed	Apr-25	45.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable	Mar-25	39.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable	Mar-25	58.50 Crore
Securitisation (BL 2023 CAIRO - Series A1(a) PTCs)	CARE Ratings	16-05-2023	CARE A+ (SO)	May-24	20.97 Crore
Securitisation (BL 2023 CAIRO - Series A1(b) PTCs)	CARE Rating	16-05-2023	CARE A- (SO)	May-24	1.97 Crore

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Q. Remuneration of Directors

Refer Note no. 35 of Financial Statements

R. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

S. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

T. Revenue Recognition

Refer Para 3.1 of significant accounting policie.

U. Ind AS 110 - consolidated financial statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 110. Refer consolidated financial statements (CFS).

V. Provisions and Contingencies :

The information on all provisions and contingencies is as under: (₹ in Lakhs)

Break up of 'provisions and contingencies' showed under the head expenditure in the statement of profit and loss.	Year ended 31st March, 2025	Year ended 31st March, 2024
Provision towards impaired assets (Stage3)	606.93	116.26
Provision made towards income tax	1,745.20	1,049.30
Provision towards impaired assets (Stage1 and 2)	391.94	280.91
Provision towards Interest Receivable on credit impaired assets	72.70	46.41
Provision for employee benefits	30.05	20.00

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

W. Drawn down from Reserves:

There is no draw down from reserves during the year.

X. Concentration of deposits (for deposit taking NBFCs)

Not applicable, as company has not taken any Deposits from public During the Year.

Y. Concentration of advances

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Z. Concentration of exposure

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

AA. Concentration of Stage 3 assets

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

BB. Sector-wise Stage 3 assets (Gross) :

Sector	% of Stage 3 assets to Total Advances in that sector as at 31st March, 2025	% of Stage 3 assets to Total Advances in that sector as at 31st March, 2024
MSME	3.62%	2.24%
TW Loans	3.18%	4.36%
LAP	0.17%	-

CC. Movement of Stage 3 Assets: (₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(i) Net stage 3 assets to net advances (%)	0.99%	0.92%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	1,123.90	818.97
(b) Additions during the year	1,821.06	1,067.12
(c) Reductions during the year	(1,066.30)	(762.19)
(d) Closing balance	1,878.66	1,123.90
(iii) Movement of net stage 3 assets		
(a) Opening balance	372.43	188.01
(b) Additions during the year	288.52	184.47
(c) Reductions during the year	(140.70)	(0.05)
(d) Closing balance	520.25	372.43
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	751.47	630.96
(b) Additions during the year	1,532.54	882.65
(c) Reductions during the year	(925.60)	(762.14)
(d) Closing balance	1,358.41	751.47

DD. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

EE. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	9	8
c)	No. of complaints redressed during the year	9	8
d)	No. of complaints pending at the end of the year	-	-

Top five grounds of complaints received by the NBFCs from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at beginning of year	Number of complaints received during year	% increase/ decrease in number of complaints received over previous year	Number of complaints pending at end of year	of 5, number of complaints pending beyond 30 days
FY 24-25					
Delay & Denial of Services	-	-	(100.00%)	-	-
Rectification in Credit Bureau Report	-	4	300.00%	-	-
Delay in releasing NOC (including NOC Charge Waiver Request)	-	3	200.00%	-	-
Closer & Settlement	-	1	0.00%	-	-
Clarification on Statement of Accounts	-	0	(100.00%)	-	-
Others	-	1	(50.00%)	-	-
FY 23-24					
Delay & Denial of Services	-	2	100.00%	-	-
Rectification in Credit Bureau Report	-	1	(50.00%)	-	-
Delay in releasing NOC (including NOC Charge Waiver Request)	-	1	(66.67%)	-	-
Closer & Settlement	-	1	100.00%	-	-
Clarification on Statement of Accounts	-	1	100.00%	-	-
Others	-	2	(33.33%)	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Sr. No.	Particulars	2024-25	2023-24
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	Nil	Nil
2	Number of complaints received during the year	Nil	Nil
3	Number of complaints disposed during the year	Nil	Nil
3.1	Of which, number of complaints rejected by the NBFC		
4	Number of complaints pending at the end of the year	Nil	Nil
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	Nil	Nil
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	Nil	Nil
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

45. Information as required in terms of Annex VIII of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 are mentioned as below:

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid (₹ in Lakhs)

Sr No.	Particulars	Year ended March 31, 2025 Amount Outstanding	Year ended March 31, 2025 Amount Overdue
a)	Debentures : Secured	13,953.58	-
	: Unsecured	-	-
b)	Deferred Credits	-	-
c)	Term Loans	19,140.15	-
d)	Inter-Corporate Loans and borrowings	2,857.48	-
e)	Commercial Paper	-	-
f)	Other loans:		
	- Bank Overdraft	5,172.41	-

B. Break-up of (1)(f) above (outstanding public deposits* inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2025 Amount Outstanding	Year ended March 31, 2025 Amount Overdue
a)	In the form of unsecured debentures	-	-
b)	In the party secured Debentures i.e. debenture where there is shortfall in the value of security	-	-
c)	Other public deposits	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below) (₹ in Lakhs)

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	12,217.67
b)	Unsecured	43,054.66

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities (₹ in Lakhs)

Sr. No.	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 AFC activities**	
	a) Loans where assets have been reprocessed	-
	b) Loans other than a) above	-

E. Break-up of Investments:

Refer Note 44 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above: (₹ in Lakhs)

Sr. No.	Category	Amount net of provisions: Secured	Unsecured	Total
1	**Related Parties****			
	a) Subsidiaries	-	-	-
	b) Companies with the same group	-	-	-
	c) Other related parties	-	-	-
2	**Other than related parties**	12,217.67	43,054.66	55,272.33
	Total	**12,217.67**	**43,054.66**	**55,272.33**

** As per Ind AS issued by MCA (refer note 3 below)

G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (₹ in Lakhs)

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	**Related parties****		
	a) Subsidiaries (Refer Note Below)	63,834.24	35,126.21
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2	**Other than related parties**	-	-
	Total	**63,834.24**	**35,126.21**

**As per Ind AS issued by MCA (Refer Note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on March 31, 2025.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

H. Other Information: (₹ in Lakhs)

Sr. No.	Particulars	Amount
(i)	**Gross non- performing Assets**	
	a) Related parties	-
	b) Other than related parties	1,878.66
(ii)	**Net non-performing assets**	
	a) Related parties	-
	b) Other than related parties	520.25
(iii)	**Assets acquired in satisfaction of debt**	-

Notes:

1) As defined in paragraph 5.1.26 of the Directions.

2) Provisioning norms shall be applicable as prescribed in these Directions.

3) All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

46. Sectoral exposure

Sectors	Year ended on 31st March 2025			Year ended 31st March, 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakh)	Gross NPAs (₹ Lakh)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakh)	Gross NPAs (₹ Lakh)	Percentage of Gross NPAs to total exposure in that sector
Other:						
Retail SME Loans	45,413.66	1,820.16	4.01%	36,703.07	929.61	2.53%
Vehicle Loans	7,763.42	246.75	3.18%	7,698.15	344.86	4.48%
Loans Against Property	2,785.47	4.60	0.17%	220.39	-	0.00%
Total	**55,962.55**	**2,071.51**	**3.70%**	**44,621.61**	**1,274.47**	**2.86%**

47. Intra-group exposures:

The company does not have intra-group exposure as on March 31, 2025 (March 31, 2024 : Nil)

48. Unhedged foreign currency exposure:

The company does not have unhedged foreign currency exposure as on March 31, 2025 (March 31, 2024 : NIL)

49. Details of frauds reported during the year are disclosed as under, as per the Master Directions on Monitoring of Frauds in NBFCs:

Sl. No.	Details of the Case	Date of Reporting	Amount (₹ in Lakhs)
1.	At the Biaora branch (MP), 26 MSME loans disbursed during December 2023 to March 2024 discontinued EMI repayment after initial 2 - 3 EMIs. Under examination, Internal audit revealed they submitted fake KYCs in collusion with an ex-employee.	03-08-2024	17.70

50. Breach of Covenant:

There was no breach of covenant of loans availed or debt securities issued by the company as on March 31, 2025. (March 31, 2024 : Nil)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

51. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

52. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2025 and 31 March 2024.

53. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2025 and 31 March 2024.

54. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

55. The Group has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the Balance sheet date. Unutilized funds as at 31 March 2025 are held by the Group in the form of deposits or in current accounts till the time the utilization is made subsequently.

56. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2025 and 31 March 2024, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2025 and 31 March 2024.

57. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024.

59. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025 and March 31, 2024.

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Laxminiwas & Co.
Chartered Accountants
[Firm Regd. No. 011168S]

[Guharoy Ashish Kumar]
Partner
[M.No. 018659]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Place: Ahmedabad
Date: 29th May, 2025

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the 13th Board's Report of the Company together along with the Audited Financial Statements for the year ended March 31, 2025.

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

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

1. FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	2024-25	2023-24
Total Revenue	55,237.94	53,024.77
Finance Charges	20,001.01	22,210.38
Depreciation	142.04	123.49
Net Profit Before Tax	1,003.84	18,239.78
Current Tax	566.00	4,925.00
Deferred Tax (Asset)/Liability	(478.72)	(521.37)
Short/(Excess) provision of income tax of earlier year	131.87	2.82
Net Profit After Tax	784.69	13,833.33
Basic Earnings Per Share (In ₹)	1.51	30.17
Diluted Earnings Per Share (In ₹)	1.51	30.17

2. OPERATIONS

Namra Finance Limited is a wholly owned subsidiary of Arman Financial Services Limited and is registered as a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI). It operates under the Joint-Liability Group (JLG) model of microfinance. The financial statements of Namra, its parent company Arman, and the consolidated results are all included in the Annual Report.

Performance Highlights

- AUM was ₹1685.78 crores in FY 2024-25 as compared to ₹2,193.11 crores in FY 2023-24, decreased by 23.13%.
- Disbursement was ₹1231.98 crores in FY 2024-25 as compared to ₹1,895.16 crores in FY 2023-24, decreased by 35%.
- Total income was ₹552.38 crores in FY 2024-25 as compared to ₹530.25 crores in FY 2023-24, increased by 4.17%.
- Profit before taxes was ₹10.04 crores in FY 2024-25 as compared to ₹182.40 crores in FY 2023-24, decreased by 94.50%.
- Profit for the year attributable to owners of the Company was ₹7.85 crores in FY 2024-25 as compared to ₹138.33 crores in FY 2023-24, decreased by 94.33%.
- Basic Earnings Per Share was ₹1.51 in FY 2024-25 as compared to ₹30.17 in FY 2023-24, decreased by 95%.
- Diluted Earnings Per Share was ₹1.51 in FY 2024-25 as compared to ₹30.17 in FY 2023-24, decreased by 95%.

3. DIVIDEND

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

4. APPROPRIATIONS

The Company proposes to transfer ₹157.00 Lakhs (previous year ₹2,767.00 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹1.00 Lakh (previous year ₹1.00 Lakh) to the general reserve.

5. COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013.

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

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

7. CREDIT RATING

During the year under review, Acuité has reaffirmed the credit ratings on various bank facilities and debt instrument of the Company to **"ACUITE A"**; however, outlook has been changed from stable to Negative.

CARE has reaffirmed its rating for various Non-Convertible Debentures ("NCDs") to "CARE A - Stable (A minus; outlook stable).

CRISIL Ratings has reaffirmed its rating for various Non-Convertible Debentures ("NCDs") of the Company to "CRISIL BBB+"; stable (BBB Plus; outlook stable).

The Grading of the Company was reaffirmed to **'MFI 1'** (MFI one) by CARE Advisory Research & Training Limited during the year 2024-25.

8. UNCLAIMED DIVIDEND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid dividend accounts appeared in balance sheet as at March 31, 2025.

9. DEPOSITS AND LOANS, GUARANTEES INVESTMENTS

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Details of Loans, Guarantees and Investments by Company under the provisions of Section 186 of the Companies Act, 2013, are provided in Note 3 and 4 to the Financial Statements.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 4 (four) members, of which 1 (one) is Independent Director. The Board also comprises of a woman Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aalok Patel [DIN-02482747] will retire by rotation at the ensuing AGM and being eligible, offer himself for reappointment.

a) Appointment / Re-appointment

During the last AGM held on September 27, 2024, the members approved the following:

- Re-appointment of Mr. Jayendra Patel (DIN: 00011814) as the Managing Director & CEO for a period of 5 (five) years with effect from August 21, 2024.
- Re-appointment of Mr. Aalok Patel (DIN: 02482747) as the Joint Managing Director for a period of 5 (five) years with effect from August 21, 2024.
- Appointment of Mr. Pinakin Shah (DIN: 00007695) as an Independent Director for a period of 5 (five) years with effect from August 14, 2024.

b) Completion of tenure

During the FY 2024–25, Mr. R. K. Nagpal (DIN: 00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024. The Board placed on record its sincere appreciation and deep gratitude for his valuable contributions and guidance during his tenure as a member of the Board.

c) Key Managerial Personnel (KMP)

In order to comply with the RBI Master Direction, which stipulates that "a Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC", Mr. Vivek Modi, Chief Financial

Officer, and Mr. Jaimish Patel, Company Secretary of the parent company, Arman Financial Services Limited, stepped down from their respective positions in the Company.

The Board, accordingly, appointed Mr. Chirag Vora as the Chief Financial Officer of the Company, being a Whole-time Key Managerial Personnel, with effect from August 14, 2024.

Further, Mr. Rahul Shahdadpuri was appointed as the Company Secretary and Compliance Officer of the Company with effect from August 14, 2024. He subsequently tendered his resignation from the said post with effect from March 10, 2025.

Thereafter, the Board appointed Mr. Urvish M. Karathiya as the Company Secretary and Compliance Officer of the Company, being a Whole-time Key Managerial Personnel, with effect from March 11, 2025.

The following officials are designated as Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act, 2013: (as on March 31, 2025.)

1. Mr. Jayendrabhai B. Patel – Chairman & Managing Director & CEO
2. Mr. Aalok J. Patel – Joint Managing Director
3. Mr. Urvish M. Karathiya - Company Secretary & Compliance Officer (w.e.f. March 11, 2025.)
4. Mr. Chirag U. Vora - Chief Financial Officer (w.e.f August 14, 2024.)

11. MEETING OF THE BOARD / AUDIT COMMITTEE

The Board during the financial year 2024-25 met 4 (Four) times and Audit Committee met 4 (Four) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of three Directors. The table sets out the composition of the Committee:

➤ **Composition and Attendance Details of Audit Committee:**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	[1]Mr. Ramakant Nagpal Independent Director	Chairman	1	1
2.	[2]Mr. Pinakin Shah Independent Director	Chairman	2	2
3.	Mrs. Ritaben Patel Non-Executive Director	Member	4	4
4.	Mr. Aalok Patel Executive Director	Member	4	4

[1]Mr. R. K. Nagpal (DIN:00073205) completed his second term as an Independent Director and consequently ceased to hold office with effect from the close of business hours on July 1, 2024.

[2]Mr. Pinakin Shah (DIN:00007695) was appointed as an Independent Director for a term of five (5) years with effect from August 14, 2024. He was also appointed as a Chairman of the Audit Committee.

➤ **Composition and Attendance Details of CSR Committee:**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Jayendra Patel Chairman & Managing Director	Chairman	1	1
2.	Mr. Aalok Patel Joint Managing Director	Member	1	1
3.	Mr. Pinakin Shah Independent Director	Member	0	0

➤ **Composition Finance and Investment Committee:**

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Aalok Patel	Joint Managing Director	Chairman
2.	Mr. Jayendra Patel	Chairman & Managing Director	Member
3.	Mr. Vivek Modi	Chief Financial Officer	Member

➤ **Composition and Attendance Details of Risk Management Committee:**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Jayendra Patel Chairman & Managing Director	Chairman	4	3
2.	Mr. Aalok Patel Joint Managing Director	Member	4	4
3.	Mr. Vivek Modi Group Chief Financial Officer	Member	4	4
4.	Mr. Govindrajan Moorthy Chief Risk Officer	Member	3	3

➤ **Composition and Attendance Details of Asset and Liability Management Committee:**

SRN	Name of Director & Category	Chairman / Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Jayendra Patel Chairman & Managing Director	Chairman	4	3
2.	Mr. Aalok Patel Joint Managing Director	Member	4	4
3.	Mr. Vivek Modi Group Chief Financial Officer	Member	4	4
4.	Mr. Govindrajan Moorthy Chief Risk Officer	Member	3	3

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

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

   i. Number of Complaints of Sexual Harassment received in the year : Nil

   ii. Number of Complaints disposed off during the year: Nil

   iii. Number of cases pending for more than ninety days : Nil

II. The Company has maintained compliance with the provisions of the Maternity Benefit Act, 1961.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended on March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

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

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

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

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

14. DECLARATION BY INDEPENDENT DIRECTORS

A declaration of independence in compliance with Section 149(6) of the Companies Act, 2013, has been taken on record from the independent director of the Company.

15. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

The term of office of M/s Samir M. Shah & Associates, Chartered Accountants (FRN: 122377W), as Statutory Auditors of the Company will conclude from the close of the ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s Samir M. Shah & Associates as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Shah & Patel, Chartered Accountants as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Member's attention is drawn to a Resolution proposing the appointment of M/s. Shah & Patel, Chartered Accountants, (FRN: 124743W) as Statutory Auditors of the Company which is included at Item No. 3 of the Notice convening the Annual General Meeting. Further, the report of M/s Samir M. Shah & Associates, the Statutory Auditors, along with notes to Financial Statements is enclosed to this Annual Report.

The Auditor's Report for FY 2024-25 does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has appointed M/s GKV & Associates, Practicing Company Secretary (Firm Registration No S2018GJ565600, Peer Review Certificate No.:2136/2022) to undertake the Secretarial Audit of the Company for the term of 5 (five) consecutive years commencing from the conclusion of 13th Annual General Meeting ("AGM") till the conclusion of the 18th AGM of the Company to be held in the year 2030 subject to approval of the members at ensuing AGM of the Company.

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

M/s. GKV & Associates. have carried out the Secretarial Audit for FY 2024-25 and their report in Form MR-3, is annexed herewith as 'Annexure-1'. There were no qualification / observations in the report.

During the year 2024-25, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

16. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

17. RISK MANAGEMENT

The Company has a risk management framework and Board members are periodically informed about the proceedings of the Risk Management Committee to ensure management controls risk by means of a properly designed framework. The Board is kept apprised of the proceedings of the meetings of the Risk Management Committee. The Company, as it advances towards its business objectives and goals, is often subjected to various risks.

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in line with our risk appetite is the essence of our Risk Management while looking to optimize the returns that go with that risk.

18. INTERNAL CONTROL SYSTEM

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter information technology controls. Internal audits of the Company are regularly carried out to review the internal control systems. Further, the Company has been conducting management audit report by an external agency. The Internal Audit Report and Management Audit Report, along with auditor's recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. Internal Auditor has verified the key internal financial control by reviewing key controls impacting financial reporting and overall risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

19. INTERNAL FINANCIAL CONTROLS

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

20. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

21. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the website of the Company at https://namrafinance.com/corporategovernance.aspx ⇨ Corporate Social Responsibility Policy.

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at "Annexure-2"

22. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2024-25 is available on the website of the Company at https://namrafinance.com/QuaterlyAnnualReports.aspx ⇨ Annual Return 2024-25

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy and Technology absorption:

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

B. Foreign exchange earnings and outgo:

There were no foreign exchange earnings during the year (previous year also Nil) while the expenditure in foreign currency by the Company during the year was USD equivalent of ₹ Nil/- (previous year: ₹ Nil) towards the due diligence fees.

24. SHARE CAPITAL & DEBENTURES

- **Authorized Share Capital:**

  The authorised share capital of the Company as on March 31, 2025 was ₹60,00,00,000/- divided into 6,00,00,000 ordinary equity shares of ₹10/- each. During the current FY 2024-25, the Company has increased the authorized share capital from ₹50,00,00,000/- divided into 5,00,00,000 ordinary equity shares of ₹10/- each to ₹60,00,00,000/- divided into 6,00,00,000 ordinary equity shares of ₹10/- each on June 19, 2024.

- **Non-Convertible Debentures (NCDs) as on March 31, 2025.**

  ISIN:INE229U07095

  The Company issued 4028 (Four Thousand Twenty-Eight) Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 12.20% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹40,28,00,000/- (Rupees Forty Crore Twenty-Eight Lakh only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on June 26, 2023, and are scheduled to mature on June 26, 2028.

  ISIN:INE229U07103

  The Company issued 4000 (Four Thousand) Secured, Rated, listed, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 11.95% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹40,00,00,000/- (Rupees Forty Crore only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on August 25, 2023, and are scheduled to mature on May 25, 2026.

  ISIN:INE229U07111

  The Company issued 45,650 (Forty-Five Thousand Six Hundred Fifty) Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 11.6% p.a., each having a face value of ₹10,000/- (Rupees Ten Thousand only), aggregating to ₹45,65,00,000/- (Rupees Forty-Five Crore Sixty-Five lakh only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on December 27, 2023 and are scheduled to mature on June 13, 2025.

  ISIN:INE229U07129

  The Company issued 1750 (One Thousand Seven Hundred Fifty) Secured, Rated, listed, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 11.95% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹17,50,00,000/- (Rupees Seventeen Crore Fifty Lakh only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on May 24, 2024, and are scheduled to mature on August 20, 2025.

  ISIN:INE229U07137

  The Company issued 7500 (Seven Thousand Five Hundred) Secured, Rated, listed, Redeemable Non-Convertible Debentures (NCDs), bearing interest at 11.00% p.a., each having a face value of ₹1,00,000/- (Rupees One Lakh only), aggregating to ₹75,00,00,000/- (Rupees Seventy-Five Crore only).

  These NCDs are denominated in Indian Rupees, were issued on a private placement basis on May 24, 2024 for 25.00 Cr. & August 05, 2024 for 50.00 Cr. and are scheduled to mature on May 24, 2026. Temporary ISIN: IN8229U07011 merged with Pre-Existing ISIN: INE229U07137.

- **Buy Back of Securities:**

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

- **Sweat Equity:**

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

- **Bonus Shares:**

  No Bonus Shares were issued during the year under review.

- **Equity Share**

  During the Financial year 2024-25, the Company has allotted 35,00,000 equity shares of ₹10/- each at a premium of ₹190/- amounting ₹70.00 cr. on June 28, 2024, on right basis to the Arman Financial Services Limited. Subsequent to the above allotments, the paid-up share capital of the Company has increased to ₹52,86,00,000/-.

25. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors and the Secretarial Auditors of the Company have not reported any instances of material frauds committed in the Company by its officers or employees, except few instances of cheating, forgery, misappropriation and criminal breach of trust amounting to ₹39.90 Lakhs against which company has recovered ₹4.17 Lakhs., which are duly identified by the Company and are disclosed as Note 50 to the Financial Statements. The Company has reported the aforesaid instances to RBI and necessary remedial actions including strict legal actions have been taken against the parties involved.

26. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

27. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

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

The Company has not made any such valuation during the FY 2024-25.

29. GRATITUDE & ACKNOWLEDGEMENT

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

For, and on behalf of the Board

Jayendrabhai Bhailalbhai Patel
Chairman & Managing Director
DIN: 00011814

Place: Ahmedabad
Date: August 13, 2025

Annexure-1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   e) The Securities and Exchange Board of India (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 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
   i. The Reserve Bank of India Act, 1934,
7. Labor Laws applicable to the Employees of the Company:
   i. Provident Fund Act, 1952;
   ii. Employees State Insurance Act, 1948;
   iii. Profession Tax Act, 1975;
   iv. The Payment of Gratuity Act, 1972

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

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

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

We further report that:

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

We further report that:

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory auditor and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

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

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

We further report that:

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

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/ 12366
UDIN F012366G001000419

Place: Ahmedabad
Date: August 13, 2025

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

ANNEXURE-1A

To,
The Members,
Namra Finance Limited

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

Management Responsibility:

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

Auditors Responsibility:

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/ 12366
UDIN F012366G001000419

Place: Ahmedabad
Date: August 13, 2025

Annexure-2

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013

1. **Brief outline of Companies CSR Policy:**

   Namra Finance Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. **Composition of CSR Committee:**

   The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

SRN	Name of Director	Designation of the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Jayendra Patel	Chairman	1	1
2.	Mr. Aalok Patel	Member	1	1
3.	Mr. Pinakin Shah	Member	NA*	NA*
4.	Mr. Ramakant Nagpal	Member	NA*	NA*

***Note: The tenure of Mr. Ramakant Nagpal was completed w.e.f. July 1, 2024 and the Company has appointed Mr. Pinakin Shah as an Independent Director effective from August 14. 2024.**

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.namrafinance.com

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

5. (a) **Average net profit of the Company as per section 135(5):** ₹99,36,40,459/-

   (b) **Two percent of average net profit of the company as per section 135(5):** ₹1,98,72,809/-

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** ₹1,42,655/-

   (d) **Amount required to be set off for the financial year, if any:** ₹1,42,655/-

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹1,97,30,154/-

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹2,00,91,345/-

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

   (c) **Amount spent on Impact Assessment, if applicable:** Nil

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)].:** ₹2,00,91,345/-

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹2,00,91,345/-	-	-	-	-	-

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

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	₹99,36,40,459/-
ii.	Amount set-off for the Financial Year	₹1,42,655/-
iii.	Amount to be spent for the Financial Year [(i)-(ii)]	₹1,97,30,154/-
iv.	Total amount spent for the Financial Year	₹2,00,91,345/-
v.	Excess amount spent for the Financial Year [(iv)-(iii)]	₹3,61,191/-
vi.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹3,61,191/-
vii.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹3,61,191/-

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	2023-24	-	-	-	-	-	-
2.	2022-23	-	-	-	-	-	-
3.	2021-22	₹36,65,030/-	₹36,65,030/-	-	-	-	-

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For, Namra Finance Limited

Jayendra Patel
Chairman & Managing Director &
Chairman of CSR Committee
DIN-00011814

Place: Ahmedabad
Date: August 13, 2025

Namra Financial Statements

INDEPENDENT AUDITORS' REPORT

To,
The Members of
NAMRA FINANCE LIMITED
Ahmedabad

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of **NAMRA FINANCE LIMITED** ("the Company") which comprise the Balance Sheet as at **31st March 2025**, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Profit, Other Comprehensive Income, its Cash Flows and Changes in Equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further, described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statement.

Key Audit Matters

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

   Key audit matter identified in our audit in respect of **Provision for Expected Credit Losses on loans** is as follows:

Provision for Expected Credit Losses on loans

[Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
As at 31st March, 2025, outstanding Loans of ₹1,15,951.57 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise allowance for expected credit losses on loans. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at 31st March, 2025. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The management has recognised a provision of ₹1643.73 Lakhs in the Statement of Profit and Loss for the year ended 31st March, 2025. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: (a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based; (b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; (c) developing a point estimate by making reference to the expected credit losses recognised by entities that carry comparable loans portfolio; (d) testing the arithmetical calculation of the expected credit losses; (e) verifying the adequacy of the related disclosures; and (f) Obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

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

5. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act

for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone financial statements dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with accounting standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statement.

    g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements; (Refer Note 33 to the standalone financial statements).

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

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

        iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities , including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (ii) The management has represented, that to the best of its knowledge and belief, no funds have been received by the

Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as mentioned at para (iv)(i) and (iv)(ii) above, contain any material mis-statement.

v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.

vi. Based on our examination, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention from the date of implementation of edit log feature.

For, **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
[M. No. 111052]
UDIN: 25111052BMJWZE3256

Place: Ahmedabad
Date: 29/05/2025

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14 of our report of even date to the Members of NAMRA FINANCE LIMITED for the year ended 31st March, 2025.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. **In respect of Property, Plant and Equipment :**

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

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

(b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

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

(d) During the year, the company has not revalued its Property, Plant & Equipments or intangible assets.

(e) No proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

2. **In respect of its Inventories :**

(a) The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of Companies (Auditor's Report) Order, 2020 (the 'Order') is not applicable.

(b) During the year, the company has availed sanctioned working capital limit in excess of ₹5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said banks are materially in agreement with the books of accounts maintained by the Company.

3. **In respect of Loans and Advances granted during the year:**

(a) The Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934, ('RBI Act"') in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Financial Company(NBFC), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/ advances which are not repaid by borrowers as per stipulations.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹4155.85 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)e of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment hence reporting under clause 3(iii)(f) of the Order is not applicable.

4. **Loans, Investments and Guarantees:**

The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 (the 'Act') with respect to loans or advances in the nature of loans, investments made, guarantees provided and securities given.

5. **In respect of Deposits:**

During the year, the company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of the Order is not applicable.

6. **In Respect of Cost Records:**

The Company is not required to maintain cost records as required by the central government under sub section (1) of section 148 of the Act, hence clause (vi) of the Order is not applicable.

7. **In respect of Statutory Dues :**

(a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect above referred statutory dues which were outstanding as at 31st March, 2025 for a period of more than six months from the date they became payable.

(b) There were no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues which have not been deposited on account of any dispute except.

Name of Statute	Nature of Dues	Amount (₹ In Lacs)	Period to Which amount Relates	Forum Where Dispute is Pending	Remarks, if any
Goods and Service Tax Act	GST	3.17	F.Y. 2017-18	The GST Commissioner (Appeal) State Tax, Roorkee	---
Income Tax Act	Income Tax	730.13	F.Y. 2022-23	CIT (Appeal)	---

8. **In Respect of Undisclosed Income Discovered in Income tax Assessment:**

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of the Order is not applicable to the company.

9. **In respect of Repayment of Loans:**

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

(b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders.

(c) The term loans taken during the year were applied for the purpose for which they were obtained.

(d) The company has not utilized any funds raised on short term basis for long term purpose.

(e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3 (ix)(e) of the Order is not applicable to the Company.

(f) The company has not has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Order is not applicable to the Company.

10. **In Respect of Public Offerings:**

(a) The Company has u tilised the money raised by way of Non-Convertible Debentures during the year, for the purpose for which they were raised. The company has not defaulted in repayment of the same.

(b) The company has made preferential allotment by way of right issue of equity shares to its holding company during the year. The Company has complied with the requirements of section 42 & 62 of the Act. The company has utilized the funds raised by way of preferential allotment of shares for the purposes for which they were raised.

11. (a) We report that no material fraud by the Company or any material fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit except fraud during the year by employees of ₹39.90 Lakhs against which company has recovered ₹4.17 Lakhs.

(b) No report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.

(c) No whistle-blower complaints were received during the year by the company upto the date of this report.

12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Order are not applicable to the Company.

13. The company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the Act.

14. **In Respect of Internal Audit System:**

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

(b) During the course of our audit, we have considered, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. The Company has not entered in to any non-cash transactions with its directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

16. In Respect to the Provisions of RBI Act 1934:

(a) The Company is registered under section 45-IA of RBI Act, 1934, and registration certificate for the same has been obtained.

(b) The company is carrying Non-Banking Financial activities with a valid certificate of Registration.

(c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Order is not applicable to the company.

17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Order is not applicable to the company.

18. There has been no resignation of the statutory auditors during the year under consideration. Accordingly, clause (xviii) of the Order is not applicable to the company.

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

20. **In respect of Unspent Corporate Social Responsibility:**

There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For, **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
[M. No. 111052]
UDIN: 25111052BMJWZE3256

Place: Ahmedabad
Date: 29/05/2025

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15 (f) of our Report of even date to the Members of NAMRA FINANCE LIMITED for the year ended 31st March, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of NAMRA FINANCE LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For, **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
[M. No. 111052]
UDIN: 25111052BMJWZE3256

Place: Ahmedabad
Date: 29/05/2025

Balance Sheet

as at 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	6,294.09	4,906.78
(b) Bank Balance other than (a) above	2	26,669.24	33,633.71
(c) Loans	3	1,15,951.57	1,62,607.18
(d) Investments	4	3,897.15	711.81
(e) Other Financial assets	5	3,708.55	2,835.61
(2) Non-financial Assets			
(a) Current tax Assets (Net)	6	446.56	Nil
(b) Deferred tax Assets (Net)	7	1,919.24	1,504.55
(c) Property, Plant and Equipment	8	438.47	422.79
(d) Other Intangible assets	8	20.64	22.37
(e) Right-of-Use Assets	8	105.21	141.48
(f) Other non-financial assets	9	98.40	75.22
Total Assets		**1,59,549.12**	**2,06,861.50**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		52.42	62.91
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		49.73	97.55
(b) Debt Securities	11	19,497.52	13,491.91
(c) Borrowings (Other than Debt Securities)	12	64,468.40	1,27,900.54
(d) Subordinated Liabilities	13	1,000.00	2,000.00
(e) Other financial liabilities	14	10,264.08	6,714.62
(2) Non-Financial Liabilities			
(a) Current tax Liability (Net)	15	Nil	777.59
(b) Provisions	16	216.26	174.12
(c) Other non-financial liabilities	17	166.47	244.60
(3) EQUITY			
(1) Equity Share capital	18	5,286.00	4,936.00
(2) Other Equity	19	58,548.24	50,461.66
Total Liabilities and Equity		**1,59,549.12**	**2,06,861.50**

See accompanying notes to the financial statements **1 to 52**

As per our report of even date attached herewith

For & on behalf of the Board of Directors of Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Chirag Vora
Chief Financial Officer

[Samir M Shah]
Partner
[M. No.111052]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Urvish Karathiya
Company Secretary
(M. No. A69313)

Place: Ahmedabad
Date: 29th May, 2025

Statement of Profit & Loss

for the year ended 31st March, 2025

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(1)	**Revenue from operations**			
	Interest Income	20	44,894.71	47,070.28
	Gain on assignment of Financial Assets	21	4,039.36	3,475.54
	Fees and Commission Income	22	1,985.57	1,917.19
	Net gain on Fair Value Changes	23	643.29	550.84
	Net Gain on Sale of financial instrument	24	3,675.00	Nil
	Total Revenue from operations (1)		**55,237.94**	**53,013.85**
(2)	Other Income	25	Nil	10.92
(3)	**Total Income (1+2)**		**55,237.94**	**53,024.77**
(4)	**Expenses**			
	Finance Costs	26	20,001.01	22,210.38
	Impairment of Financial Assets	27	23,523.57	5,785.84
	Employee Benefits Expenses	28	7,538.38	4,701.35
	Depreciation and Amortization	29	142.04	123.49
	Others expenses	30	3,029.10	1,963.93
	Total Expenses (4)		**54,234.10**	**34,784.99**
(5)	**Profit / (loss) before exceptional items and tax (3-4)**		**1,003.84**	**18,239.78**
(6)	**Tax Expense:**			
	(1) Current Tax	31	566.00	4,925.00
	(2) Short/(excess) Provision of Income Tax/Deferred Tax of earlier years	31	131.87	2.82
	(3) Deferred Tax Liability / (Assets)	31	(478.72)	(521.37)
	Total Expenses (4)		**219.15**	**4,406.45**
(7)	**Profit/(loss) for the period (5-6)**		**784.69**	**13,833.33**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be classified to Profit or loss			
	- Remeasurement of Defined Benefit Obligations-Income/(Expense)		20.55	(4.19)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.17)	1.05
	Subtotal (A)		**15.38**	**(3.14)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair Value Gain/(loss) on financial Assets measured through OCI		233.89	779.45
	(ii) Income tax relating to items that will be reclassified to profit or loss		(58.87)	(196.17)
	Subtotal (B)		**175.02**	**583.28**
	Other Comprehensive Income (A + B)		**190.40**	**580.14**
(9)	**Total Comprehensive Income for the period (7+8) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**975.09**	**14,413.48**
(10)	**Earnings per equity share (Face Value ₹10 per Equity Share)**			
	Basic (₹)	32	1.51	30.17
	Diluted (₹)	32	1.51	30.17

See accompanying notes to the financial statements **1 to 52**

As per our report of even date attached herewith

For & on behalf of the Board of Directors of Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Chirag Vora
Chief Financial Officer

[Samir M Shah]
Partner
[M. No.111052]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Urvish Karathiya
Company Secretary
(M. No. A69313)

Place: Ahmedabad
Date: 29th May, 2025

Statement of Cash Flow

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars		For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
A:	**Cash from Operating Activities:**				
	Net profit before taxation		1,003.84		18,239.78
	Adjustment For:				
	Depreciation and amortisation	105.77		94.90	
	Depreciation on Right of Use Assets	36.27		28.59	
	Interest Income	(44,894.71)		(47,070.28)	
	Net gain on investment instruments measured through profit and loss	(61.59)		(46.81)	
	Finance cost	20,001.01		22,210.38	
	Provision for impairment on financial assets	1,643.73		2,111.41	
	Net Loss on Derecognition of Intangible Assets	Nil		0.24	
	(Profit) / loss on sale of property, plant and equipment	Nil		(10.92)	
	Gain On Assignment of Assets(Net of Expense)	(4,039.36)		(3,475.54)	
	Loss / (Profit) on sale of Current Investment	(581.70)		(504.03)	
	Remeasurement of define benefit plan Gain / (loss)	20.55		(4.19)	
	Employee Stock Option Plan Expense	461.49		421.96	
			(27,308.54)		**(26,244.29)**
	Operating profit before working Capital changes :		**(26,304.70)**		**(8,004.51)**
	Adjustment For Increase /(Decrease) in Operating Assets:				
	Loans and Advances	45,245.77		(38,952.12)	
	Other Financial Assets	3,698.73		3,182.72	
	Other Non Financial Assets	(23.18)		(7.73)	
	Bank Balance other than Cash and cash equivalents	6,964.47		380.75	
	Adjustment For Increase /(Decrease) in Operating Liability:				
	Trade Payables	(58.32)		41.72	
	Provision	42.14		41.99	
	Other Non Financial liability	(78.12)		52.82	
	Other Financial Liabilities	3,873.41	59,664.89	1,959.77	(33,300.08)
	Cash Generated From Operations				
	Interest Received	44,362.40		47,225.81	
	Finance Cost	(19,728.83)		(22,745.90)	
	Income tax paid (Net)	(1,922.02)		(4,785.89)	
			22,711.56		**19,694.01**
	Net Cash From Operating Activities:		**56,071.75**		**(21,610.58)**
B:	**Cash Flow From Investment Activities:**				
	Purchase of Property, Plant & Equipment	(119.73)		(113.18)	
	Purchase of Current investments	(66,288.40)		(59,774.55)	
	Proceeds from Sale/redemption of investments	63,746.35		61,439.33	
	Sale of Property, Plant & Equipment	Nil		16.85	
	Net Cash from Investment Activities:		**(2,661.78)**		**1,568.46**

Statement of Cash Flow (contd.)

for the year ended 31st March, 2025

(₹ in Lakhs)

Particulars		For the year ended on 31st March, 2025		For the year ended on 31th March, 2024	
C:	**Cash Flow From Financing Activities :**				
	Proceeds from issue of share capital	7,000.00		8,000.00	
	Proceeds from debt securities and borrowings	39,250.00		1,60,379.32	
	Repayments of debt securities and borrowings	(80,294.17)		(1,52,619.62)	
	Net increase / (decrease) in working capital borrowings	(17,940.85)		6,740.73	
	Repayment of Principal Component of Lease Liability (Net)	(37.64)		(29.37)	
	Net Cash from Financing Activities:		**(52,022.66)**		**22,471.06**
	Net Increase in Cash & Cash Equivalents (A+B+C)		**1,387.31**		**2,428.95**
	Cash & cash equivalents at the beginning		4,906.78		2,477.83
	Cash & cash equivalents at the end		6,294.09		4,906.78

Notes :

1 Cash and bank balance at the end of the year comprises:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash on hand	28.87	90.84
Balance with Bank	6,265.22	4,815.94
Cash & cash equivalents as per Balance Sheet	6,294.09	4,906.78

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

3 Change in liabilities arising from financing activities:

Particulars	31st March, 2024	Cash Flows	Non Cash Changes	31st March, 2025
Debt Securities	13,491.91	6,002.16	3.44	19,497.52
Borrowing other than debt Securities	1,29,900.54	(64,987.18)	555.04	65,468.40
Total	**1,43,392.45**	**(58,985.02)**	**558.48**	**84,965.91**

Change in liabilities arising from financing activities:

Particulars	31st March, 2023	Cash Flows	Non Cash Changes	31st March, 2024
Debt Securities	14,152.40	(577.55)	(82.95)	13,491.91
Borrowing other than debt Securities	1,15,098.60	15,077.98	(276.05)	1,29,900.54
Total	**1,29,251.00**	**14,500.43**	**(359.00)**	**1,43,392.45**

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M. No.111052]

Place: Ahmedabad
Date: 29th May, 2025

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Chirag Vora
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Urvish Karathiya
Company Secretary
(M. No. A69313)

Statement of Changes in Equity

for the year ended 31st March, 2025

(A) Equity share capital (Refer Note 18)

FY 2024-25

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2024	Changes in Equity share capital due to prior period errors	Restated Balance as at 31st March, 2024	Changes during the year	Balance as at 31st March, 2025
Ordinary Equity share capital	4,936.00	Nil	4,936.00	350.00	5,286.00

FY 2023-24

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2023	Changes in Equity share capital due to prior period errors	Restated Balance as at 31st March, 2023	Changes during the year	Balance as at 31st March, 2024
Ordinary Equity share capital	4,536.00	Nil	4,536.00	400.00	4,936.00

(B) Other equity (Refer note 19)

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding		
FY 2024-25							
Balance as at 1st April, 2024	**9.00**	**5,762.30**	**21,621.39**	**22,623.44**	**512.51**	**(66.99)**	**50,461.66**
Change in accounting policy or prior period errors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Restated Balance as at 31st March, 2024	**9.00**	**5,762.30**	**21,621.39**	**22,623.44**	**512.51**	**(66.99)**	**50,461.66**
Profit for the year	Nil	Nil	Nil	784.69	Nil	Nil	784.69
Other comprehensive income (net of taxes)	Nil	Nil	Nil	Nil	Nil	190.40	190.40
Total Comprehensive Income for the period	**Nil**	**Nil**	**Nil**	**784.69**	**Nil**	**190.40**	**975.09**
Transactions with Owners in the capacity as Owners							
Transfer to reserve u/s. 45-IA of RBI Act, 1934	Nil	157.00	Nil	(157.00)	Nil	Nil	Nil
Additions during the year in securities premium	Nil	Nil	6,650.00	Nil	Nil	Nil	6,650.00
Share Issue Expense From Securities Premium A/c	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reversal of ESOP due to unexercised option	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Transfer during the year in General Reserve	1.00	Nil	Nil	(1.00)	Nil	Nil	Nil
Share based payment to employees (ESOP) (Refer note 17)	Nil	Nil	Nil	Nil	461.49	Nil	461.49
Balance as at 31st March, 2025	**10.00**	**5,919.30**	**28,271.39**	**23,250.14**	**974.01**	**123.41**	**58,548.24**

Statement of Changes in Equity

for the year ended 31st March, 2025

(B) Other equity (Refer note 19) (contd.)

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding		
FY 2023-24							
Balance As At 1st April'2023	**8.00**	**2,995.30**	**14,021.39**	**11,558.11**	**90.56**	**(647.13)**	**28,026.23**
Profit for the year	Nil	Nil	Nil	13,833.33	Nil	Nil	13,833.33
Other comprehensive income (net of taxes)	Nil	Nil	Nil	Nil	Nil	580.14	580.14
Total Comprehensive Income for the period	**Nil**	**Nil**	**Nil**	**13,833.33**	**Nil**	**580.14**	**14,413.48**
Transactions with Owners in the capacity as Owners							
Transfer to reserve u/s. 45-IA of RBI Act, 1934	Nil	2,767.00	Nil	(2,767.00)	Nil	Nil	Nil
Additions during the year in securities premium	Nil	Nil	7,600.00	Nil	Nil	Nil	7,600.00
Share Issue Expense From Securities Premium A/c	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Share based payment to employees (ESOP) (Refer note 17)	Nil	Nil	Nil	Nil	421.96	Nil	421.96
Transfer during the year in General Reserve	1.00	Nil	Nil	(1.00)	Nil	Nil	Nil
Balance as at 31st March, 2024	**9.00**	**5,762.30**	**21,621.39**	**22,623.44**	**512.51**	**(66.99)**	**50,461.66**

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M. No.111052]

Place: Ahmedabad
Date: 29th May, 2025

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Chirag Vora
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Urvish Karathiya
Company Secretary
(M. No. A69313)

Notes forming part of the Standalone Financial Staements

for the year ended 31st March, 2025

1. CORPORATE INFORMATION

NAMRA Finance Limited (the "Company") is a wholly owned subsidiary of Arman Financial Services Limited, a public Company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a Non deposit taking non-banking finance Company – Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Finance loans ("MFL") to Joint Liability Groups ("JLG"), to create the underlying assets of MFL.

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Loans at fair value through other comprehensive income ("FVOCI") and

ii) Defined benefit plans - plan assets

iii) Investment in units of mutual funds at fair value through Profit & Loss ('FVTPL')

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 of Material Accounting Policies.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

v) Provision for income tax and deferred tax

Assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. Interest income

Company records interest and processing fees income by applying EIR to the gross carrying amount of financial assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Regular way purchase or sale of financial assets are recognised on (trade date / settlement date). All other financial assets and financial liabilities are recognised on settlement date.

B. Initial measurement of financial instruments

Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities not subsequently measured at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) Fair Value through Other Comprehensive Income (FVOCI)

iii) Fair Value Through Profit or Loss (FVTPL)

3.3 Financial assets and liabilities – subsequent measurement

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c. managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial Assets to identify whether they meet SPPI test.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

iii) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investments in Mutual Funds:

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2025 and 31 March 2024.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

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

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

A. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest spread under par structure of direct assignment of loan Receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

B. Other interest income

Other interest income is recognised on a time proportionate basis.

C. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

D. Fees and commission income

Fees and Commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Property, plant and equipment & Depreciation

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided on straight line method specified in Schedule II to the Companies Act, 2013. However, Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 3 to 10 years

iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

3.11 Leases

Right-of-use assets are measured presented as "Right to use Asset" and "Other financial liabilities" respectively on the financial statements.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Short-term leases for the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

3.12 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13 Taxes

A. Current tax

Current Tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in profit or loss or OCI or directly in equity. The Company has provided for the tax liability based on the significant judgment that the taxation authority will accept the tax treatment.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

4. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), in consultation with the Institute of Chartered Accountants of India (ICAI), has issued amendments to certain Indian Accounting Standards, which are not yet effective as at the reporting date (e.g., amendments to Ind AS 109, Ind AS 107, etc.). These amendments are applicable from the financial year beginning on or after April 1, 2026.

The Company has evaluated the above amendments and concluded that their application is not expected to have any material impact on its financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

1	Cash and Cash Equivalents	As at 31st March, 2025	As at 31st March, 2024
	Cash on hand	28.87	90.84
	Balance with banks	6,265.22	4,815.94
	Total	**6,294.09**	**4,906.78**

2	Bank Balance other than Cash and Cash Equivalents	As at 31st March, 2025	As at 31st March, 2024
	In fixed deposit accounts:		
	Deposits given as security against borrowings or other commitments	8,091.44	13,841.79
	Fixed Deposits given as security against overdraft facilities (Refer Note No. 2.1)	16,952.53	19,147.06
	Other Deposits with original maturity more than 3 months	2,431.28	1,302.44
		27,475.24	**34,291.29**
	Less: Interest Accrued but not due on Bank Deposits (Disclosed in Note 5)	(806.00)	(657.57)
	Total	**26,669.24**	**33,633.71**

2.1 Deposits includes deposits of ₹16,952.53 Lakhs (P.Y. ₹19147.06 Lakhs) given to bank for Overdraft facility availed.

3	Loans	As at 31st March, 2025	As at 31st March, 2024
	At FVOCI		
	Unsecured Loans	1,23,274.86	1,70,760.34
	Less : Interest Due but not received on loans (Disclosed in Note 5)	(1,159.21)	(858.83)
	At Amortised Cost		
	Inter Corporate Deposits to holding company (Refer 3.1)	2,857.48	Nil
		1,24,973.13	**1,69,901.51**
	Less : Impairment Loss Allowance	(9,021.55)	(7,294.33)
		1,15,951.57	**1,62,607.18**
	(1) Loans In India	1,15,951.57	1,62,607.18
	(2) Loans Outside India	Nil	Nil
	Total	**1,15,951.57**	**1,62,607.18**

3.1 Refer Note No. 37 for loans to Company in which directors are interested.

3.2 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31st March 2023	1,25,279.52	1,408.12	3,655.79	1,30,343.43
New Assets originated*	1,59,348.48	1,816.40	1,172.64	1,62,337.52
Net transfer between stages				
Transfer from stage 1	(5,979.25)	2,219.39	3,759.85	Nil
Transfer from stage 2	5.28	(164.58)	159.30	Nil
Transfer from stage 3	0.50	0.39	(0.89)	Nil
Less: Assets derecognised or collected	1,16,462.88	585.99	1,724.01	1,18,772.88
Less: Write - offs	1,344.92	685.89	1,975.76	4,006.56
Gross carrying amount as at 31st March 2024	1,60,846.74	4,007.85	5,046.91	1,69,901.51
New Assets originated*	1,01,740.48	2,459.68	586.68	1,04,786.84
Net transfer between stages				
Transfer from stage 1	(10,097.60)	6,157.14	3,940.46	Nil
Transfer from stage 2	6.89	(81.88)	74.98	Nil
Transfer from stage 3	0.49	0.60	(1.09)	Nil
Less: Assets derecognised or collected	1,24,385.65	1,805.19	1,461.17	1,27,652.01
Less: Write - offs	15,734.15	2,298.13	4,030.93	22,063.21
Gross carrying amount as at 31st March 2025	**1,12,377.20**	**8,440.08**	**4,155.85**	**1,24,973.13**

*Note: New assets originated are those assets which are disbursed during the year.

3.3 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31st March 2023	**1,211.94**	**551.76**	**3,592.72**	**5,356.42**
Addition During the year	1,247.30	1,244.10	4,682.58	7,173.98
Reduction During the year	(1,219.81)	(533.03)	(3,483.22)	(5,236.07)
Gross carrying amount as at 31st March 2024	**1,239.43**	**1,262.82**	**4,792.08**	**7,294.33**
Addition During the year	1,737.38	3,880.29	4,031.64	9,649.32
Reduction During the year	(1,463.76)	(1,327.18)	(5,131.16)	(7,922.10)
Gross carrying amount as at 31st March 2025	**1,513.06**	**3,815.94**	**3,692.56**	**9,021.55**

Note: In the current year, the microfinance sector experienced an increase in credit losses due to higher leverage and multiple borrowings by MFI customers. The rise in Expected Credit Loss (ECL) provisions, despite a reduction in the portfolio size, is attributed to a higher management overlay, reflecting the increased borrower defaults across the sector.

4	Investments	As at 31st March, 2025	As at 31st March, 2024
	At Fair Value Through Profit & Loss		
	In Mutual Funds		
	SBI Magnum Gilt Fund Regular Growth (6,48,523.25 Units as at 31.03.25, 6,48,523.25 Unit as at 31.03.24)	423.67	388.91
	SBI Magnum Medium Duration Fund Regular Growth (6,98,053.50 Units as at 31.03.25, 6,98,053.50 Unit as at 31.03.24)	349.73	322.90
	ICICI Liquid Fund	Nil	Nil
	Total Mutual Funds	**773.40**	**711.81**
	Security Receipt- Rare ARC 080 Trust of ₹1,000 Each (Market Value ₹1,000) (3,12,375 Unit as at 31.03.25, Nil Unit as at 31.03.24)	3,123.75	Nil
	Total	**3,897.15**	**711.81**
	i) Investments in India	3,897.15	711.81
	ii) Investments outside India	Nil	Nil
	Total	**3,897.15**	**711.81**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

4.1 Cost of Investment in Mutual Fund is ₹665.00 Lakhs (P.Y. ₹665.00 Lakhs) & Cost of Investment in Security receipt is ₹3123.75 Lakhs (P.Y. is Nil)

5	Other Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Deposits	29.94	19.78
	Income Receivable from Direct Assignment	2,120.70	1,890.33
	Other Advances	11.50	9.11
	Insurance Claim Receivable	97.71	Nil
	Interest accrued but not due on Bank Deposits(Refer Note 2)	806.00	657.57
	Interest Due but not received on loans (Refer Note 3)	1,159.21	858.83
	Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(516.52)	(600.02)
	Total	**3,708.55**	**2,835.61**

5.1 Reconciliation of ECL balance is given below:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Gross carrying amount at beginning of the year	**600.02**	**426.52**
Addition During The Year	512.19	535.15
Reduction During The Year	(595.68)	(361.66)
Gross carrying amount at Closing of the year	**516.52**	**600.02**

5.2 Other Financial Assets does not includes any dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

6	Current tax Assets (Net)	As at 31st March, 2025	As at 31st March, 2024
	Provision for Tax	(566.00)	Nil
	Less: Advance Tax and TDS	1,012.56	Nil
	Total	**446.56**	**Nil**

7	Deferred Tax	As at 31st March, 2025	As at 31st March, 2024
	Deferred Tax Assets on account of:		
	Provision for employee benefits	54.43	43.82
	Financial assets measured at amortised cost	419.01	460.25
	Recognition of lease liability and right to use asset	3.73	Nil
	Fair valuation of financial instruments through OCI	(43.29)	15.57
	Impairment on Financial assets	2,400.54	1,986.85
	Total Deferred Tax Assets	**2,834.42**	**2,506.50**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

7	Deferred Tax	As at 31st March, 2025	As at 31st March, 2024
	Deferred Tax Liabilities on account of:		
	Difference in written down value as per Companies Act and Income Tax Act		
	Financial liabilities measured at amortised cost	(212.43)	(352.99)
	Interest Receivable on NPA	(130.00)	(151.01)
	Fair valuation of Investment in Mutual Fund	(27.28)	(11.78)
	Direct Assignment Income Receivable -DA	(537.47)	(475.76)
	Total Deferred Tax Liabilities	**(915.18)**	**(1,001.94)**
	At the end of year DTA / (DTL) (net)	**1,919.24**	**1,504.55**

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(i) Movement in deferred tax assets (net)

Particulars	As at 31st March, 2024	(Charged)/credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at 31st March, 2025
Assets				
Provision for employee benefits	43.82	15.78	(5.17)	54.43
Financial assets measured at amortised cost	460.25	(41.24)	Nil	419.01
Share Issue Expense	Nil	Nil	Nil	Nil
Impairment loss allowance	1,986.85	413.69	Nil	2,400.54
Recognition of lease liability and right to use asset (Net)	Nil	3.73	Nil	3.73
Fair valuation of financial instruments through OCI	15.57	Nil	(58.87)	(43.29)
CSR Provision	Nil	Nil	Nil	Nil
Liabilities	Nil	Nil	Nil	Nil
Difference in written down value as per Companies Act and Income Tax Act	(10.40)	2.40	Nil	(8.00)
Financial liabilities measured at amortised cost	(352.99)	140.56	Nil	(212.43)
NPA Interest Receivable	(151.01)	21.01	Nil	(130.00)
Income Taxable on Realised Basis	Nil	Nil	Nil	Nil
Fair valuation of Investment in Mutual Fund	(11.78)	(15.50)	Nil	(27.28)
Income Receivable on Direct assignments	(475.76)	(61.71)	Nil	(537.47)
Total (Net)	**1,504.55**	**478.72**	**(64.04)**	**1,919.24**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particulars	As at 31st March, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31st March, 2024
Assets				
Provision for employee benefits	33.25	9.51	1.05	43.82
Financial assets measured at amortised cost	351.31	108.94	Nil	460.25
Share Issue Expense	0.29	(0.29)	Nil	Nil
Impairment loss allowance	1,349.99	636.86	Nil	1,986.85
Fair valuation of financial instruments through OCI	211.75	Nil	(196.17)	15.57
Liabilities	Nil	Nil	Nil	
Difference in written down value as per Companies Act and Income Tax Act	(9.74)	(0.66)	Nil	(10.40)
Financial liabilities measured at amortised cost	(262.64)	(90.35)	Nil	(352.99)
NPA Interest Receivable	(107.35)	(43.66)	Nil	(151.01)
Income Taxable on Realised Basis	Nil	Nil	Nil	Nil
Fair valuation of Investment in Mutual Fund	(0.22)	(11.56)	Nil	(11.78)
Income Receivable on Direct assignments	(388.34)	(87.41)	Nil	(475.76)
Total (Net)	**1,178.30**	**521.37**	**(195.12)**	**1,504.55**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

8 Property, Plant & Equipment

Carrying Value	Furniture & Fixtures	Buildings	Office Equipments	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At 31st March, 2023	**129.28**	**84.17**	**43.58**	**191.99**	**238.79**	**687.82**	**75.32**	**763.14**	**179.40**
Addition	52.98	Nil	25.90	34.30	Nil	113.18	Nil	113.18	76.05
Disposal	3.31	Nil	6.39	48.26	55.00	112.96	7.35	120.31	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31st March, 2024	**178.95**	**84.17**	**63.09**	**178.04**	**183.79**	**688.03**	**67.97**	**756.00**	**255.44**
Addition	45.41	Nil	7.90	54.53	5.35	113.19	6.54	119.73	Nil
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31st March, 2025	**224.36**	**84.17**	**70.99**	**232.56**	**189.14**	**801.22**	**74.51**	**875.73**	**255.44**

Accumulated Depreciation / Amoritsation	Furniture & Fixtures	Buildings	Office Equipment	Computer	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At 31st March, 2023	**47.32**	**5.84**	**31.52**	**133.36**	**67.58**	**285.61**	**44.47**	**330.08**	**85.37**
Charge for the year	14.82	1.33	12.98	29.60	27.93	86.66	8.24	94.90	28.59
Disposal	2.71	Nil	6.07	45.99	52.25	107.02	7.11	114.14	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31st March, 2024	**59.42**	**7.17**	**38.42**	**116.97**	**43.26**	**265.24**	**45.60**	**310.84**	**113.96**
Charge for the year	19.72	1.33	12.23	41.02	23.21	97.51	8.27	105.77	36.27
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31st March, 2025	**79.14**	**8.50**	**50.65**	**157.99**	**66.47**	**362.75**	**53.87**	**416.62**	**150.23**

Net Carrying Value	Furniture & Fixtures	Buildings	Office Equipment	Computer	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At 31st March, 2024	**119.53**	**76.99**	**24.67**	**61.07**	**140.53**	**422.79**	**22.37**	**445.16**	**141.48**
At 31st March, 2025	**145.22**	**75.66**	**20.34**	**74.57**	**122.67**	**438.47**	**20.64**	**459.11**	**105.21**

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note. 33 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

(e) There is no intangible assets are under development. There is no intangible assets are under development

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

9	Other Non - Financial Assets	As at 31st March, 2025	As at 31st March, 2024
	Prepaid Expenses	17.12	21.55
	Advances to staff	11.98	6.49
	Balance with government authorities	69.30	47.18
	Total	**98.40**	**75.22**

10	Other Payables	As at 31st March, 2025	As at 31st March, 2024
	Total outstanding dues of micro enterprises and small enterprises	52.42	62.91
	Total outstanding dues of other than micro enterprises and small enterprises	49.73	97.55
	Total	**102.15**	**160.46**

10.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
1	Principal amount payable to suppliers as at year end	52.42	62.91
2	Interest due thereon as at year end	Nil	Nil
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	Nil	Nil
4	Amount of delayed payment actually made to suppliers during the year	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the year	Nil	Nil
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

10.2 Trade Payable ageing schedule :

As on 31st March, 2025	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	52.42	Nil	49.73
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

As on 31st March, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	62.91	Nil	97.55
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management.This has been relied upon by the Auditors.

11	Debt Securities (At Amortised Cost)	As at 31st March, 2025	As at 31st March, 2024
	11.95% Secured, Redeemable, Non Convertible Debenture of ₹45,454 Each (4,000 Unit as at 31.03.25, 4,000 Unit as at 31.03.24)	1,818.16	3,272.72
	11% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹1,00,000 Each (7,500 Units as at 31.03.2025, Nil Unit as at 31.03.2024)	7,500.00	Nil
	11.95% Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture of ₹1,00,000 Each (1,750 Units as at 31.03.2025, Nil Unit as at 31.03.2024)	1,750.00	Nil
	11.20% Secured, Unlisted, Redeemable, Non Convertible Debenture of ₹500 Each (Nil Unit as at 31.03.25, 2,22,654 Unit as at 31.03.24)	Nil	1,113.27
	12.20% Secured, Unlisted, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (4,028 Unit as at 31.03.25, 4,028 Unit as at 31.03.24)	4,028.00	4,028.00
	11.60% Secured, Unlisted Redeemable, Non Convertible Debenture of ₹10,000 Each (45,650 Unit as at 31.03.25, 45,650 Unit as at 31.03.24)	4,565.00	4,565.00
	Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (Nil Unit as at 31.03.25, 68 Unit as at 31.03.24)	Nil	680.00
	Total	**19,661.16**	**13,658.99**
	Less: Unamortised borrowing costs	(163.64)	(167.08)
	Total	**19,497.52**	**13,491.91**
	i) Debt Securities In India	19,497.52	13,491.91
	ii) Debt Securities Outside India	Nil	Nil
	Total	**19,497.52**	**13,491.91**

11.1 Details of terms of repayment and security provided in respect of borrowings

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
Market Linked Secured, Redeemable, Non Convertible Debenture	Nil	680.00	Repayment of ₹3,000 Lakhs on 29th March 2024 and ₹680 Lakhs to be repaid on 31st October 2024	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture	Nil	1,113.27	50 % of the Principal amount repaid on 11th March 2024 remaining 49.99 % will be repaid 11th March 2025 and the remaining 0.01% will be repaid on maturity date i.e. 2 plus 2 years	Secured Under Hypothecation of Specific Asset Portfolio

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
Secured, Redeemable, Non Convertible Debenture	4,028.00	4,028.00	99.99% of the Principal Amount will be repaid on 26 June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture	4,565.00	4,565.00	99.99% of the Principal Amount will be repaid on 08 May 2025 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 13th June 2027	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Redeemable, Non Convertible Debenture of ₹45,454 Each	1,818.16	3,272.72	Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026	Secured Under Hypothecation of Specific Asset Portfolio
Secured, Not guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Principal Protected Non-Convertible Debenture	9,250.00		Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25th May 2026	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	**19,661.16**	**13,658.99**		

12	Borrowings (Other than debt securities)	As at 31st March, 2025	As at 31st March, 2024
	Term Loans - Secured		
	(i) From Banks	47,205.68	71,689.32
	(ii) From Financial Institutions	17,407.53	38,970.23
	Less: Unamortised borrowing costs	(680.41)	(1,235.45)
		63,932.80	**1,09,424.09**
	Overdraft from banks - Secured against Fixed Deposit (Refer Note 2.1)	535.60	18,476.44
	Total	**64,468.40**	**1,27,900.54**
	i) Borrowings in India	64,468.40	1,27,900.54
	ii) Borrowings Outside India	Nil	Nil
	Total	**64,468.40**	**1,27,900.54**

12.1 Security :-

Note: Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". Also some of the loans are guaranteed by Holding Company.

Interest:

Term loan carries an interest rate ranging from 10.42 % to 15.00% p.a.

12.2 The Company has not defaulted in repayment of borrowings and interest thereon

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

12.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/ statements are in agreement with books of accounts.

12.4 Details of terms of Repayment and security provided in respect of borrowings.

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Banks - 1	Nil	495.07	Repayable in 26 Months Monthly installments starting From 31st August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 2	Nil	331.75	Repayable in 37 Months Monthly installments starting From 20 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 3	Nil	151.51	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 4	Nil	151.51	Repayable in 35 Months Monthly installments starting From 7 october 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 5	Nil	447.90	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 6	Nil	416.67	Repayable in 36 Months Monthly installments starting From 23 September 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 7	Nil	432.79	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 8	54.55	766.86	Repayable in 24 Months Monthly installments starting From 21 January 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 9	297.31	1,497.11	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 10	0.68	993.16	Repayable in 26 Monthly installments starting From 14th February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 11	126.19	298.27	Repayable in 36 Monthly installments starting From 15th october 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Banks - 12	360.71	1,090.95	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 13	Nil	933.33	Repayable in 30 Monthly installments starting From 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 14	Nil	555.56	Repayable in 28 Monthly installments starting From 28 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 15	133.33	666.67	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 16	Nil	95.24	Repayable in 24 Monthly installments starting From 30 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 17	149.94	349.89	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 18	149.69	347.70	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 19	166.43	366.66	Repayable in 36 Monthly installments starting From 18 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 20	Nil	248.19	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 21	1,615.21	4,000.00	Repayable in 36 Monthly installments starting From 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 22	Nil	750.00	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 23	668.67	1,394.83	Repayable in 36 Monthly installments starting From 10 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Banks - 24	0.00	416.67	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 25	Nil	374.99	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 26	333.33	1,133.33	Repayable in 36 Monthly installments starting From 31 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 27	Nil	11.87	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 28	67.72	88.12	Repayable in 36 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 29	1,632.71	2,996.36	Repayable in 24 Monthly installments starting From 18 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 30	625.00	1,125.00	Repayable in 36 Monthly installments starting From 31 May 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 31	907.03	1,712.41	Repayable in 30 Monthly installments starting From 24 Nov 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 32	924.68	1,607.80	Repayable in 36 Monthly installments starting From 28 Sep 2021	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 33	1,474.69	2,998.26	Repayable in 24 Monthly installments starting From 19 Feb 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 34	666.44	1,000.00	Repayable in 36 Monthly installments starting From 14 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 35	1,454.81	2,291.67	Repayable in 36 Monthly installments starting From 28 NOV 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 36	155.56	466.67	Repayable in 24 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 37	1,090.91	2,727.27	Repayable in 24 Monthly installments starting From 29 Nov 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Banks - 38	1,590.91	3,500.00	Repayable in 24 Monthly installments starting From 31 Jan 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 39	600.00	1,100.00	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 40	1,749.13	3,499.97	Repayable in 24 Monthly installments starting From 29 Jan 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 41	375.00	1,875.00	Repayable in 27 Monthly installments starting From 7 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 42	937.50	1,500.00	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 43	1,533.33	2,000.00	Repayable in 36 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 44	896.02	1,499.93	Repayable in 36 Monthly installments starting From 30 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 45	41.67	541.67	Repayable in 27 Monthly installments starting From 12 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 46	125.00	375.00	Repayable in 27 Monthly installments starting From 22 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 47	3,111.26	6,178.00	Repayable in 36 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 48	1,249.99	2,000.00	Repayable in 27 Monthly installments starting From 19 Mar 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 49	499.79	833.32	Repayable in 36 Monthly installments starting From 5 Sep 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 50	666.67	1,666.67	Repayable in 24 Monthly installments starting From 1 Dec 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 51	2,121.43	3,939.37	Repayable in 36 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 52	Nil	1,378.64	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Banks - 53	Nil	2,619.04	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 54	Nil	1,450.69	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 55	2,750.00	Nil	Repayable in 36 Monthly installments starting From 17 Dec 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 56	1,446.59	Nil	Repayable in 36 Monthly installments starting From 29 Aug 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 57	1,022.73	Nil	Repayable in 24 Monthly installments starting From 30 june 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 58	2,187.50	Nil	Repayable in 24 Monthly installments starting From 28 Apr 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 59	3,370.37	Nil	Repayable in 24 Monthly installments starting From 27 Feb 2025	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 60	1,500.00	Nil	Repayable in 27 Monthly installments starting From 14 Apr 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 61	2,374.81	Nil	Repayable in 24 Monthly installments starting From 25 Oct 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 62	3,000.38	Nil	Repayable in 26 Monthly installments starting From 21 April 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 63	1,000.00	Nil	Repayable in 26 Monthly installments starting From 12 Feb 2024	Secured by a first and exclusive charge on the vehicle acquired with the loan
Total Loan From Banks	**47,205.68**	**71,689.32**		
Term Loan From Financial Institution - 1	Nil	375.00	Repayable in 36 Monthly installments starting From 29 Dec 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 2	Nil	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 3	Nil	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 4	Nil	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 5	Nil	9.72	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 6	Nil	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 7	Nil	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 8	Nil	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 9	Nil	4.17	Repayable in 36 Months Monthly installments Stating From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 10	Nil	700.00	Repayable in 36 Months Monthly installments Stating From 22 Oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 11	Nil	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 12	Nil	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 13	Nil	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 14	Nil	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 15	Nil	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 16	Nil	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 17	Nil	58.33	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 18	Nil	25.00	Repayable in 36 Months Monthly installments Stating From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 19	Nil	71.43	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 20	Nil	71.43	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 21	Nil	119.05	Repayable in 24 Months Monthly installments Stating From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 22	Nil	95.24	Repayable in 24 Months Monthly installments Stating From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 23	133.33	666.67	Repayable in 27 Months Monthly installments Stating From 15 feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 24	Nil	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 25	Nil	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 26	Nil	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 27	Nil	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 28	Nil	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 29	Nil	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 30	Nil	29.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 31	Nil	12.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 32	Nil	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 33	Nil	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 34	Nil	37.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 35	Nil	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 36	Nil	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 37	Nil	87.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 38	-0.00	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 39	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 40	Nil	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 41	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 42	Nil	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 43	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 44	Nil	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 45	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 46	Nil	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 47	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 48	Nil	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 49	Nil	56.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 50	Nil	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 51	Nil	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 52	Nil	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 53	Nil	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 54	Nil	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 55	Nil	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 56	Nil	175.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 57	Nil	75.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 58	Nil	375.00	Repayable in 24 Monthly installments starting From 29 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 59	Nil	465.61	Repayable in 24 Monthly installments from 22 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 60	0.16	549.49	Repayable in 24 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 61	Nil	346.24	Repayable in 25 Monthly installments starting From 29 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 62	Nil	1,601.87	Repayable in 24 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 63	Nil	1,619.85	Repayable in 24 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 64	Nil	1,062.51	Repayable in 24 Monthly installments starting From 29 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 65	0.50	532.90	Repayable in 24 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 66	833.33	1,666.67	Repayable in 36 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 67	Nil	1,010.74	Repayable in 24 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 68	Nil	800.00	Repayable in 27 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 69	Nil	185.97	Repayable in 24 Monthly installments starting From 22 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 70	749.98	1,500.00	Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 71	729.17	2,479.17	Repayable in 27 Monthly installments starting From 29 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 72	Nil	588.08	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 73	83.33	333.33	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 74	83.33	333.33	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 75	Nil	1,046.99	Repayable in 15 Monthly installments starting From 1 Jul 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Term Loan From Financial Institution - 76	Nil	618.36	Repayable in 16 Monthly installments starting From 1 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 77	459.69	1,468.26	Repayable in 24 Monthly installments starting From 14 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 78	592.59	1,481.48	Repayable in 27 Monthly installments starting From 29 JULY 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 79	1,166.71	2,916.67	Repayable in 26 Monthly installments starting From 29 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 80	2,833.42	4,833.34	Repayable in 36 Monthly installments starting From 11 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 81	1,800.00	3,000.00	Repayable in 36 Monthly installments starting From 27 Oct 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 82	1,900.00	3,000.00	Repayable in 36 Monthly installments starting From 23 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 83	2,916.67	Nil	Repayable in 36 Monthly installments starting From 24 JUL 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 84	1,200.00	Nil	Repayable in 24 Monthly installments starting From 28 Mar 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 85	1,925.30	-	Repayable in 24 Monthly installments starting From 15 Jan 2025	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loan From Financial Institution	**17,407.53**	**38,970.23**		
Overdraft Facilty on Fixed Deposit				
Overdraft Facilty on Fixed Deposit 1	97.24	7,116.76	Secured by a first and exclusive charge on specific Fixed Deposits	

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption/ Repayment	Security
Overdraft Facilty on Fixed Deposit 2	(42.50)	2,727.73	Secured by a first and exclusive charge on specific Fixed Deposits	
Overdraft Facilty on Fixed Deposit 3	481.85	2,182.80	Secured by a first and exclusive charge on specific Fixed Deposits	
Overdraft Facilty on Fixed Deposit 4	(1.00)	Nil	Secured by a first and exclusive charge on specific Fixed Deposits	
Overdraft Facilty on Fixed Deposit 4	Nil	4,666.79	Secured by a first and exclusive charge on specific Fixed Deposits	
Overdraft Facilty on Fixed Deposit 5	Nil	1,782.37	Secured by a first and exclusive charge on specific Fixed Deposits	
	535.60	**18,476.44**		

13	Subordinated Liabilities(At Cost)	As at 31st March, 2025	As at 31st March, 2024
	15%, Unsecured Subordinated Term Loan in India	1,000.00	2,000.00
	Total	**1,000.00**	**2,000.00**

13.1 Details of terms of Redemption/ Repayment in respect of Subordinated Liabilities:

Particular	As at 31st March, 2025	As at 31st March, 2024	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank - 1	Nil	1,000.00	Single Bullet Payment at the end of 84 Months from 23rd June, 2017	Unsecured
Subordinated Term Loan From Bank - 2	1,000.00	1,000.00	50% Payment at the end of 66 Months from 30th Nov, 2021 & remaining 50% Payment at the end of 72 Months from 30th Nov, 2021	Unsecured

14	Other Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Interest accrued but not due on Borrowings	524.11	810.42
	Salary & wages payable	812.16	81.27
	Micro Insurance Payable	680.70	680.40
	Hospicash Insurance Payable	390.09	498.54
	Other Expenses Payable	108.96	53.48
	Payable toward assignment transactions	7,628.04	4,432.85
	Lease Liability - Right of Use Assets	120.03	157.67
	Total	**10,264.08**	**6,714.62**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

15	Current Tax Liabilities / (Assets) (Net)	As at 31st March, 2025	As at 31st March, 2024
	Provision for Tax	Nil	4,876.25
	Less: Advance Tax and TDS	Nil	(4,098.66)
	Total	**Nil**	**777.59**

16	Provisions	As at 31st March, 2025	As at 31st March, 2024
	Provision for employee benefit- gratuity (Refer Note No.26.1)	216.26	174.12
	Total	**216.26**	**174.12**

17	Other Non Financial Liabilities	As at 31st March, 2025	As at 31st March, 2024
	Other statutory dues	90.92	69.94
	TDS payable	75.55	174.65
	Total	**166.47**	**244.60**

18	Share Capital	As at 31st March, 2025	As at 31st March, 2024
	[a] Authorised:		
	6,00,00,000 (As at 31.03.24, 5,00,00,000) Equity Shares of ₹10/- each fully paid up	6,000.00	5,000.00
		6,000.00	**5,000.00**
	[b] Issued, Subscribed & Paid-up Capital:		
	5,28,60,000 (As at 31.03.24, 4,93,60,000) Equity Shares of ₹10/- each fully paid up	5,286.00	4,936.00
	Total	**5,286.00**	**4,936.00**

18.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at 31st March, 2025 & 31st March, 2024 is set out below:

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	4,93,60,000	4,936.00	4,53,60,000	4,536.00
Shares Issued during the year	35,00,000	350	40,00,000	400
Reduction during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	**5,28,60,000**	**5,286.00**	**4,93,60,000**	**4,936.00**

18.2 The Company having shares referred to as equity shares having face value of ₹10/-each. Each holder of equity share is entitled to 1 vote per share.

18.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

18.4 The company has issued 35 Lakh (P.Y.40 Lakh) Right equity shares of ₹10 each at a premium of ₹190/- during the year (P.Y. ₹190/-)

18.5 The Company is 100 % subsidiary of Arman Financial Services Limited (CIN:.L55910GJ1992PLC018623).

18.6 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	5,28,60,000	100.00%	4,93,60,000	100.00%

18.7 Details of Promotors Shareholding of ordinary shares of the company are as follows :

Promotor Name	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	5,28,60,000	100.00%	4,93,60,000	100.00%

19	Other Equity (Refer Note 19.1)	As at 31st March, 2025	As at 31st March, 2024
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	9.00	8.00
	Add: Transfer from statement of profit and loss	1.00	1.00
	Closing Balance	**10.00**	**9.00**
	ii. Special Reserve u/s 45-IC of the RBI Act,1934		
	Balance as per last financial statement	5,762.30	2,995.30
	Add: Transfer from statement of profit and loss	157.00	2,767.00
	Closing Balance	**5,919.30**	**5,762.30**
	iii. Securities Premium		
	Balance as per last financial statement	21,621.39	14,021.39
	Add: Share Premium on shares issued during the year	6,650.00	7,600.00
	Less : Share issue Expenses	Nil	Nil
	Closing Balance	**28,271.39**	**21,621.39**
	iv. Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	22,623.44	11,558.11
	Add : Profit for the year	784.69	13,833.33
	Less: Appropriations		
	Amount transfer to General Reserve	1.00	1.00
	Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	157.00	2,767.00
	Dividend Paid On Cumulative Non - Convertible Compulsorily Redeemable Preference shares		
	Tax on distributed profit on dividend paid		
	Closing Balance	**23,250.14**	**22,623.44**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

19	Other Equity (Refer Note 19.1)	As at 31st March, 2025	As at 31st March, 2024
	B. Other Comprehensive Income		
	Balance as per last financial statement	(66.99)	(647.13)
	Additions during the year	190.40	580.14
	Closing Balance	**123.41**	**(66.99)**
	C. Capital Contribution from Holding Company		
	Balance as per last financial statement	512.51	90.55
	Additions during the year	461.49	421.96
	Closing Balance	**974.01**	**512.51**
	Total	**58,548.24**	**50,461.66**

19.1 NATURE AND PURPOSE OF RESERVE:

1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Surplus in the statement of profit and loss

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 General reserve

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Capital Contribution from Holding Company

The Holding Company Arman Financial Services Limited Has Allotted Shares Under Employee Stock Option Scheme To The Eligible Employees Of The Company At a Exercise Price of ₹500 for "ESOP Scheme 2023" & ₹50 for "ESOP Scheme 2016" Per Option during the year (Exercise Price of ₹50 for "ESOP Scheme 2016" Per Option in earlier years). The reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

20 Interest Income

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest on Loans	42,257.49	Nil	44,643.68	Nil
Interest on Deposits as Security	Nil	2,301.12	Nil	2,406.85
Interest on Others	Nil	336.10	Nil	19.75
Total	**42,257.49**	**2,637.21**	**44,643.68**	**2,426.60**
Total Interest		**44,894.71**		**47,070.28**

21 Gain On Assignment of Financial Assets

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Gain on Assignment of Assets (Net of Expense)	4,039.36	3,475.54
Total	**4,039.36**	**3,475.54**

21.1 Gain on assignment of assets is Net off by DA Collection expenses amounting of ₹2191.60 Lakhs (P.Y. of ₹2277.87 Lakhs).

22 Fees and Commission Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Processing fees Income	1,745.05	1,487.04
Service Fees and facilitation Charges	224.21	413.20
Other Fees & Charges	16.32	16.95
Total	**1,985.57**	**1,917.19**

23 Net gain on Fair Value Changes

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Gain/ (Loss) on Financial Instruments at FVPTL		
Gain/ (Loss) on Fair Value of Mutual Fund	61.59	46.81
Net Gain/(Loss) on fair value of derivative contracts	Nil	Nil
Others		
Gain on Sale of Investment	581.70	504.03
Total	**643.29**	**550.84**
Fair Value Changes		
Realized	581.70	504.03
Unrealized	61.59	46.81
Total	**643.29**	**550.84**

Namra Financial Statements

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

24 Net Gain on Sale of financial instrument

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net Gain on Sale of financial instrument	3,675.00	Nil
Total	**3,675.00**	**Nil**

25 Other Income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net Profit on Derecognition of Property, Plant & Equipment	Nil	10.92
Total	**Nil**	**10.92**

26 Finance Costs (On Financial Liabililties measured at Amortised Cost)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest Expense on Borrowings	10,625.11	13,753.32
Interest Expense on Debt Securities	2,296.22	2,077.68
Interest Expense on Subordinated Debt	184.23	301.13
Interest Expense on Others	5,454.80	4,598.84
Other Borrowing Costs	1,431.59	1,471.27
Interest Expense on Lease Liability	9.06	8.15
Total	**20,001.01**	**22,210.38**

27 Impairment of Loan Assets (On Financial Assets measured at FVOCI)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Bad debts written off (Net)	21,879.84	3,674.43
Expected Credit Loss(Net)	1,643.73	2,111.41
Total	**23,523.57**	**5,785.84**

27.1 Details of Expected Credit Loss in respect of Loans and interest Receivable on Credit Impaired Loans refer Note No. 3.3 and Note No. 5.2.

27.2 Bad debts written off is net off by bad debts recovery of ₹183.37 Lakhs (P.Y. ₹332.13 Lakhs)

28 Employee Benefit Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries and wages	6,117.59	3,682.25
Share Based Payment	461.49	421.96
Contribution to provident and other funds	542.90	373.36
Gratuity Expense	75.88	53.29
Staff welfare expenses	340.51	170.49
Total	**7,538.38**	**4,701.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

28.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹0.01 lakhs (31 March 2023: ₹0 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

The status of gratuity plan required under Ind AS 19 is an under:

i)

Reconciliation of opening and closing balances of defined benefit obligation	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening Defined Benefit Obligation	174.13	132.14
Transfer in/(out) obligation	Nil	Nil
Current service cost	63.43	45.20
Interest cost	12.45	8.80
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	5.70	1.20
Due to change in demographic assumption	Nil	Nil
Due to experience adjustments	(26.25)	2.29
Past service cost	Nil	Nil
Loss (gain) on curtailments	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefit paid from funds	Nil	Nil
Benefits paid by Company	(13.20)	(15.49)
Closing Defined Benefit Obligation	**216.27**	**174.13**

ii)

Reconciliation of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening value of plan assets	0.01	0.01
Transfer in/(out) plan assets	Nil	Nil
Expense deducted from the fund	Nil	Nil
Interest Income	0.00	0.70
Return on plan assets excluding amounts included in interest income	0.00	(0.70)
Assets Distributed on settlements	Nil	Nil
Contribution by the company	Nil	Nil
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange difference on foreign plans	Nil	Nil
Benefits paid	Nil	Nil
Fair value of plan assets at the end of the year	**0.01**	**0.01**

iii)

Reconciliation of net defined benefit liability	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Net opening provision in books of accounts	174.12	132.13
Transfer in/(out) obligation	Nil	Nil
Transfer (in)/out plan assets	Nil	Nil
Employee Benefit Expense	75.88	53.29
Amounts recognized in Other Comprehensive Income	(20.55)	4.19
	229.46	**189.61**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

iii)

Reconciliation of net defined benefit liability	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Benefits paid by the Company	(13.20)	(15.49)
Contributions to plan assets	Nil	Nil
Closing provision in books of accounts	**216.26**	**174.12**

iv)

Composition of plan assets	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	**100%**	**100%**

v)

Expense recognised during the year	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current service cost	63.43	45.20
Interest cost	12.45	8.10
Past service cost	Nil	Nil
Expense recognised in the statement of profit and loss	**75.88**	**53.29**

vi)

Other comprehensive income	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	5.70	1.20
Due to change in Demographic assumptions	Nil	Nil
Due to experience adjustments	(26.25)	2.29
Return of plan assets excluding amounts included in interest income	(1.00)	0.70
Amounts recognized in Other Comprehensive (Income)/Expense	**(21.55)**	**4.19**

vii)

Principal actuarial assumptions	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Discount rate (per annum)	6.60%	7.15%
Rate of return on plan assets (p.a.)	7.36%	7.36%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25%	25%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

vii) Principal actuarial assumptions	Year Ended 31st March, 2025	Year Ended 31st March, 2024
26 to 35	25%	25%
36 to 45	20%	20%
46 to 55	10%	10%
56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

viii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	Year Ended 31st March, 2025		Year Ended 31st March, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate(- / +0.5%)	221.74	211.08	178.26	170.21
(% change compared to base due to sensitivity	2.53%	-2.40%	2.37%	-2.25%
Salary growth rate (- / + 0.5%)	211.05	221.69	170.18	178.26
(% change compared to base due to sensitivity	-2.41%	2.51%	-2.27%	2.37%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	222.27	210.56	177.73	170.62
(% change compared to base due to sensitivity	2.77%	-2.64%	2.07%	-2.02%

ix) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.78 years.

	Cash flows (₹)	Distributions(%)
1st Following year	35.83	11.10%
2nd Following year	29.49	9.10%
3rd Following year	29.22	9.10%
4th Following year	30.15	9.40%
5th Following year	29.48	9.10%
Sum of years 6 to 10	86.93	27.00%

The future accrual is not considered in arriving at the above cash-flows

The Expected contribution for the next year is ₹78.24 lakhs

29 Depreciation & Amortisation

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation on Property, Plant & Equipments	97.51	86.66
Amortization on Right of use Asset	36.27	28.59
Amortisation of Intangible Asset	8.27	8.24
Total	**142.04**	**123.49**

30 Other Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Electricity & fuel charges	64.36	48.73
Repairs to Building	17.10	11.11
Insurance	132.00	19.86
Rent (Refer Note 35)	433.91	292.19
Rates & taxes	54.87	38.30
Bank Charges	11.13	11.48
Stationery & printing	54.54	38.30
Communication	66.23	13.44
Traveling & conveyance expenses	1,225.24	900.25
Professional fees	573.55	381.81
Auditor's Remuneration		
Audit fees	7.00	7.00
Tax Audit Fees	Nil	Nil
Certifications & Others	0.63	1.43
	12.79	**8.43**
Corporate Social Responsibility Expenditure(refer Note 33)	200.91	80.63
Director sitting fees	1.40	1.65
Net Loss on Derecognition of Intangible Assets	Nil	0.24
General charges (including security charges & membership fees etc.)	186.24	117.51
Total	**3,029.10**	**1,963.93**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

31 Tax Expenses

The Components of income tax expense for the Quarter ended 31st March, 2025 and 31st March, 2024 are:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current Tax	566.00	4,925.00
Short/(excess) Provision of Tax of earlier years	131.87	2.82
Deferred tax	(478.72)	(521.37)
Total Tax Expense	**219.15**	**4,406.45**
Total tax charge		
Current Tax	697.87	4,927.82
Deferred Tax	(478.72)	(521.37)
Total	**219.15**	**4,406.45**

31.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March, 2025 and 31st March, 2024 is, as follows:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Accounting profit before tax expense	1,003.84	18,239.78
Income tax rate %	25.17%	25.17%
Expected tax expense	**252.65**	**4,590.59**
Tax effect of :		
Tax effect of Temporary differences	(857.74)	(849.79)
Tax effect of deductible expenses	(415.45)	(129.18)
Tax effect of disallowed expenses	50.57	19.24
Tax Effect on other adjustments	1,189.12	775.59
Tax expense Recognised in the Statement of Profit and Loss	**219.15**	**4,406.45**

32 Earnings per share:

Particulars		31st March 2025	31st March 2024
Numerator used for calculating Basic Earning per share (PAT)	In ₹	784.69	13,833.33
Numerator used for calculating Diluted Earning per share (PAT)	In ₹	784.69	13,833.33
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares In Nos.	520.09	458.52
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares In Nos.	520.09	458.52
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	1.51	30.17
Diluted earnings per share	In ₹	1.51	30.17

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

32.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	**Tier 1 & 2 Capital**	**Tier 1 Capital**	**Tier 2 Capital**	**Highly Liquid Assets**
Denominator	**Risk weighted Assets**	**Risk weighted Assets**	**Risk weighted Assets**	**Expected 30 days net cash outflow**
As at 31st March, 2025				
Numerator (₹ In Lacs)	63,632.20	61,789.15	1,843.06	25,142.30
Denominator (₹ In Lacs)	1,31,444.43	1,31,444.43	1,31,444.43	7,280.45
Ratio (%)	48.41%	47.01%	1.40%	345.34%
As at 31st March, 2024				
Numerator ₹	56,482.09	53,729.25	2,752.83	6,879.83
Denominator ₹	1,72,226.71	1,72,226.71	1,72,226.71	3,532.03
Ratio (%)	32.80%	31.20%	1.60%	194.78%
% Variance	47.61%	50.68%	(12.28%)	77.29%
Reason for variance (if above 25%)	Due to decrease in Loan Assets	Due to decrease in Loan Assets		Due to Increase in fixed deposit

33. Contingent liabilities not provided for:

(i) Income Tax

(a) A disputed demand of Income Tax amounting to ₹774.76 lakhs (Previous Year: ₹ Nil) has been raised for Assessment Year 2023–24, against which the Company has filed rectification applications on 24th April 2025. These applications are yet to be disposed of by the Income Tax Department.

The demand primarily arises from a disallowance of ₹430 lakhs as per the assessment order. However, the Department has made an error in the tax calculation sheet while computing the demand on the said disallowance. The Company has contested this and filed the necessary rectification.

It is pertinent to note that even after considering the said disallowance, the Company is eligible for a refund of ₹88.46 lakhs

(ii) Goods and Service Tax (GST)

(a) Disputed Demand of GST amounting to ₹3.34 Lacs (Previous Year. ₹3.34 Lacs) against which company had paid ₹0.17 Lacs (Previous Year. ₹0.17 Lacs) under protest.

34. Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR expense is ₹198.73 Lakhs (March 31, 2024: 79.20 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
(a) Gross amount required to be spent by the company during the year	198.73	79.20
(b) Amount spent during the year		
i) Paid in Cash	200.91	80.63
ii) Transferred to unspent CSR a/c U/s 135(6)	-	-
Total of Amount Spent (refer note 28)	**200.91**	**80.63**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Nature of CSR activities: To conduct various educational programs to help the needy / poor children by providing them financial support, providing scholarship, providing free note books / text books, providing them training of Computer or training for various skill development, and providing education infrastructure where they can get better education and can enhance their skills.

35. Leasing Arrangements:

The Company has entered into lease and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I. Amount Recognized in Statement of Profit & loss

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
i) Expenses related to Short Term Lease	433.91	292.19
ii) Interest Expense on Lease Liability	9.06	8.15
iii) Depreciation charge for right-of-use assets	36.27	28.59
Total	**479.24**	**328.93**

II. Amounts recognized in statement of cash flows (including Interest Component)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Total cash outflow for leases	46.70	37.52

III. Additions to right-of-use assets

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Addition to Right of used assets added	-	76.05

IV. Maturity analysis of lease liabilities

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	28.15	46.70
After one year but not more than five years	114.35	142.49
More than five years	-	-
Total undiscounted lease liabilities	**142.50**	**189.19**
Balances of Lease Liabilities		
Non-Current	98.66	120.03
Current	21.37	37.64
Total Lease Liability	**120.03**	**157.67**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

36. Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

37. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Holding Company

Arman Financial Services Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer) Up to 13th August 2024

Mr. Chirag Vora (Chief Financial Officer) w.e.f 14th August 2024

C) Non-Executive Director and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Pinakin Shah	Independent Director
Mrs. Ritaben Patel	Non-Executive Director
Mrs. Sajni Aalok Patel	Relative of Key Managerial Personnel

D) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended 31st March 2025			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	86.25	Nil	Nil	86.25
Remuneration & perquisites Paid	Nil	117.65	Nil	117.65
Sitting fees	Nil	Nil	1.40	1.40
Rent paid	Nil	Nil	21.25	21.25
CSR Expense	Nil	Nil	62.27	62.27
Income				
Interest Income	335.08	Nil	Nil	335.08
Unsecured Loans Taken				
Unsecured Loan Taken	31,270.63	Nil	Nil	31,270.62
Unsecured Loan Repaid (Including Interest)	31,356.86	Nil	Nil	31,356.86

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Particulars	Year Ended 31st March 2025			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Unsecured Loans Given				
Unsecured Loan Given	39,819.03	Nil	Nil	39,819.03
Unsecured Loan Received back (Including Interest)	37,296.63	Nil	Nil	37,296.62
Subscription of Equity Share of Holding Company				
Subscription of Equity Share (including Premium)	7000	Nil	Nil	7,000.00
Subscription on account of capital contribution in form of share-based payment to employees.	461.49	Nil	Nil	461.49

Particulars	Year Ended 31st March 2024			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	187.44	Nil	Nil	187.44
Remuneration & perquisites Paid	Nil	111.26	Nil	111.26
Sitting fees	Nil	Nil	1.65	1.65
Rent paid	Nil	Nil	20.24	20.24
CSR Expense	Nil	Nil	80.63	80.63
Income				
Interest Income	19.75	Nil	Nil	19.75
Unsecured Loans Taken				
Unsecured Loan Taken	25,804.78	Nil	Nil	25,804.78
Unsecured Loan Repaid (Including Interest)	25,992.21	Nil	Nil	25,992.21
Unsecured Loans Given				
Unsecured Loan Given	3,074.84	Nil	Nil	3,074.84
Unsecured Loan Received back (Including Interest)	4,107.73	Nil	Nil	4,107.73
Subscription of Equity Share of Holding Company				
Subscription of Equity Share (including Premium)	8000.00	Nil	Nil	8000.00
Subscription on account of capital contribution in form of share-based payment to employees.	421.96	Nil	Nil	421.96

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

E) Details of Balances Outstanding from Related Parties:

Particulars	Year Ended 31st March 2025			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Given Outstanding Balance	2,857.48	Nil	Nil	2,857.48
Issuance of equity shares of holding company to the employees of company at discount (ESOP)	974.01	Nil	Nil	974.01
Corporate Guarantee Given by Holding Company for loan taken by subsidiary company	50,600.00	Nil	Nil	50,600.00
Outstanding Loan against Corporate Guarantee	15,325.12	Nil	Nil	15,325.12

Particulars	Year Ended 31st March 2024			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Given Outstanding Balance	Nil	Nil	Nil	Nil
Issuance of equity shares of holding company to the employees of company at discount (ESOP)	512.51	Nil	Nil	512.51
Corporate Guarantee Given by Holding Company for loan taken by subsidiary company	78,280.00	Nil	Nil	78,280.00
Outstanding Loan against Corporate Guarantee	43,955.14	Nil	Nil	43,955.14

List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

(₹ In Lakhs)

Nature of Payments	Related Party	2024-25	2023-24
Interest Expense	Arman Financial Services Limited	86.25	187.44
Interest Income	Arman Financial Services Limited	335.08	19.75
Loan Taken during the year	Arman Financial Services Limited	31,270.63	25,804.78
Loan and interest repaid during the year	Arman Financial Services Limited	31,356.86	25,992.21
Loan Given during the year	Arman Financial Services Limited	39,819.03	3,074.84
Loan received back during the year	Arman Financial Services Limited	37,296.63	4,107.73
Equity contribution	Arman Financial Services Limited	7,000.00	8,000.00
Capital Contribution (ESOP)	Arman Financial Services Limited	461.49	421.96

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Nature of Payments	Related Party	2024-25	2023-24
Remuneration	Aalok Patel	44.64	40.96
	Jayendra Patel	58.76	56.41
	Vivek Modi Upto 13th August 2024	6.33	13.89
	Chirag Vora from 14th August 2024	7.92	-
Rent	Ritaben J. Patel	16.47	15.68
	Sajniben A Patel	2.39	2.28
	Aakash Jayendra Patel HUF	2.39	2.28
Sitting Fees	Ritaben J. Patel	0.80	0.80
	Ramakant Nagpal	0.20	0.85
	Pinakin Shah	0.40	Nil
CSR Expense	Arman Foundation	62.27	80.63
Corporate Guarantee Given By Holding Company for loan taken by subsidiary company	Arman Financial Services Limited	50,600.00	78,280.00
Outstanding Loan against Corporate Guarantee		15,325.12	43,955.14

Note: Expenses towards Gratuity are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in above information.

F) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows:

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Post-employment benefits	6.93	6.87
Total	**6.93**	**6.87**

38. Revenue from contracts with customers:

Refer Para 3.9 (I) of significant accounting policies to the financial statements.

39. Amount Expected to be Recovered or Setteled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	Note No.	At March 31, 2025			At March 31, 2024		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	6,294.09	Nil	6,294.09	4,906.78	Nil	4,906.78
Bank Balance other than above	2	24,003.49	2,665.75	26,669.24	29,620.56	4,013.15	33,633.71
Loans	3	82,222.32	33,729.25	1,15,951.57	1,39,869.18	22,738.00	1,62,607.18
Investments	4	3,897.15	Nil	3,897.15	711.81	Nil	711.81
Other Financial assets	5	3,378.02	330.52	3,708.55	2,780.45	55.16	2,835.61
Non-financial Assets							
Current tax Assets (Net)	6	446.56	Nil	446.56			
Deferred tax Assets (Net)	7	1,919.24	Nil	1,919.24	1,504.55	Nil	1,504.55
Property, Plant and Equipment & Other Intangible assets	8	Nil	459.11	459.11	Nil	445.16	445.16
Right-of-Use Assets	8	Nil	105.21	105.21	Nil	141.48	141.48
Other non-financial assets	9	94.48	3.92	98.40	75.22	Nil	75.22
Total Assets		**1,22,255.36**	**37,293.77**	**1,59,549.12**	**1,79,468.56**	**27,392.94**	**2,06,861.50**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
(I) Other Payables	10						
(i) total outstanding dues of micro enterprises and small enterprises		52.42	Nil	52.42	62.91	Nil	62.91
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		49.73	Nil	49.73	97.55	Nil	97.55
Debt Securities	11	12,144.74	7,352.77	19,497.52	3,247.82	10,244.09	13,491.91
Borrowings (Other than Debt Securities)	12	47,806.41	16,661.98	64,468.40	88,662.33	39,238.21	1,27,900.54
Subordinated Liabilities	13	Nil	1,000.00	1,000.00	1,000.00	1,000.00	2,000.00
Other financial liabilities	14	10,133.41	130.66	10,264.08	6,635.25	79.37	6,714.62
Non-Financial Liabilities							
Current tax Liability (Net)	15	Nil	Nil	Nil	777.59	Nil	777.59
Provisions	16	216.26	Nil	216.26	59.84	114.28	174.12
Other non-financial liabilities	17	166.47	0.00	166.47	244.60	Nil	244.60
EQUITY							
Equity Share capital	18	Nil	5,286.00	5,286.00	Nil	4,936.00	4,936.00
Other Equity	19	Nil	58,548.24	58,548.24	Nil	50,461.66	50,461.66
Total Liabilities and Equity		**70,569.45**	**88,979.67**	**1,59,549.12**	**1,00,787.89**	**1,06,073.60**	**2,06,861.50**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

40 Fair Value Measurements

A Financial instrument by category and their fair value

As at 31st March, 2025	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	2,857.48	Nil	1,13,094.10	Nil		1,15,951.57	1,15,951.57
Investments	4	Nil	3,897.15	Nil	773.40	3,123.75	Nil	3,897.15
Cash and Cash Equivalents	1	6,294.09	Nil	Nil	6,294.09	Nil	Nil	6,294.09
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	27,475.24	Nil	Nil	Nil	27,475.24	Nil	27,475.24
Deposits	5	29.94	Nil	Nil	Nil	Nil	29.94	29.94
Income Receivable from Direct Assignment	5	2,120.70	Nil	Nil	Nil	Nil	2,120.70	2,120.70
Other Loans	5	109.22	Nil	Nil	Nil	Nil	109.22	109.22
Interest Due(Net) but not Received on Loans & Advances	5	642.69	Nil	Nil	Nil	Nil	642.69	642.69
Total Financial Assets		**39,529.35**	**3,897.15**	**1,13,094.10**	**7,067.50**	**30,598.99**	**1,18,854.12**	**1,56,520.60**
Financial Liabilities								
Debt Securities	11	19,497.52	Nil	Nil	Nil	Nil	19,497.52	19,497.52
Borrowings (Other than Debt Securities)	12	64,468.40	Nil	Nil	Nil	Nil	64,468.40	64,468.40
Subordinated Liabilities	13	1,000.00	Nil	Nil	Nil	Nil	1,000.00	1,000.00
Other Payables	10	102.15	Nil	Nil	Nil	Nil	102.15	102.15
Other financial liabilities	14	10,264.08	Nil	Nil	Nil	Nil	10,264.08	10,264.08
Total Financial Liabilities		**95,332.14**	**Nil**	**Nil**	**Nil**	**Nil**	**95,332.14**	**95,332.14**

As at 31st March, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	Nil	Nil	1,62,607.18	Nil	Nil	1,62,607.18	1,62,607.18
Investments	4	Nil	711.81	Nil	711.81	Nil	Nil	711.81
Cash and Cash Equivalents	1	4,906.78	Nil	Nil	4,906.78	Nil	Nil	4,906.78
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	34,291.29	Nil	Nil	Nil	34,291.29	Nil	34,291.29
Deposits	5	19.78	Nil	Nil	Nil	Nil	19.78	19.78
Income Receivable from Direct Assignment	5	1,890.33	Nil	Nil	Nil	Nil	1,890.33	1,890.33
Other Loans	5	9.11	Nil	Nil	Nil	Nil	9.11	9.11
Interest Due but not Received on Loans & Advances	5	258.81	Nil	Nil	Nil	Nil	258.81	258.81
Total Financial Assets		**41,376.10**	**711.81**	**1,62,607.18**	**5,618.59**	**34,291.29**	**1,64,785.21**	**2,04,695.09**
Financial Liabilities								
Debt Securities	11	13,491.91	Nil	Nil	Nil	Nil	13,491.91	13,491.91
Borrowings (Other than Debt Securities)	12	1,27,900.54	Nil	Nil	Nil	Nil	1,27,900.54	1,27,900.54
Subordinated Liabilities	13	2,000.00	Nil	Nil	Nil	Nil	2,000.00	2,000.00
Other Payables	10	160.46	Nil	Nil	Nil	Nil	160.46	160.46
Other financial liabilities	14	6,714.62	Nil	Nil	Nil	Nil	6,714.62	6,714.62
Total Financial Liabilities		**1,50,267.53**	**Nil**	**Nil**	**Nil**	**Nil**	**1,50,267.53**	**1,50,267.53**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

B Reconciliation of level 3 fair value measurement is as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	**1,62,607.18**	**1,24,987.01**
Addition during the year	1,04,786.84	1,62,337.52
Amount derecognised / repaid during the year	(1,27,835.38)	(1,19,105.01)
Amount written off	(22,063.21)	(4,006.56)
Bad Debts Recovery	183.37	332.13
Gains/(losses) recognised in Statement of Profit & Loss	(1,727.22)	(1,937.91)
Balance at the end of the year	**1,15,951.57**	**1,62,607.18**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last seven days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

D2 Regulatory capital

Particulars	As at 31st March, 2025	As at 31st March, 2024
Tier 1 Capital	61,789.15	53,729.25
Tier 2 Capital	1,843.06	2,752.83
Risk Weighted Assets	**1,31,444.43**	**1,72,226.71**
Tier 1 Capital Ratio(%)	47.01	31.20
Total Capital Ratio(%)	**48.41**	**32.80**

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

41 Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	Note Reference	As at 31st March, 2025	As at 31st March, 2024
Financial Assets			
Loans	3	87,394.21	1,39,484.60
Investments	4	773.40	711.81
Fixed Deposit	2	25,043.97	32,988.84
Total Financial Assets pledged as Security		**1,13,211.57**	**1,73,185.25**

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at 31st March, 2025	As at 31st March, 2024
Retail assets	1,13,094.10	1,62,607.18
Loans to NBFC-to Create the underlying assets of SME, TW & LAP	2,857.48	Nil
Total	**1,15,951.57**	**1,62,607.18**

II Credit Guarantee Coverage under CGFMU

The company is registered under the Credit Guarantee Fund for Micro Units (CGFMU) Scheme of the National Credit Guarantee Trustee Company (NCGTC). It has obtained credit guarantee coverage for disbursements made on or after 7th October 2024. The details of the coverage are as follows :

Period	No. of Account	Disbursement	O/s as on 31st March, 2025
Quarter 3 (Oct-Dec'24)	39729	19,572	17,808
Quarter 4 (Jan-march'25)	79272	39,099	38,806
	119001	**58,671**	**56,614**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios but the company has only one portfolio group i.e. Micro Finance to JLG group.

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Company has assessed that credit risk on loans to employee is in significant based on the empirical data.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs.

Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
   a) Outstanding balance (POS).
   b) Recovery amount (discounted yearly) by initial contractual rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening provision of ECL	7,294.33	5,356.42
Addition during the year	9,649.32	7,173.98
Utilization / reversal during the year	(7,922.10)	(5,236.07)
Closing provision of ECL	**9,021.55**	**7,294.33**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

Changes in ECL allowances in relation to Interest Receivable on Credit Impaired Loans and Advances from beginning to end of reporting period:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening provision of ECL	600.02	426.52
Addition during the year	512.19	535.15
Utilization / reversal during the year	(595.68)	(361.66)
Closing provision of ECL	**516.52**	**600.02**

The Company has taken expert advise from Actuary Valuer for making provision for ECL and accounted ECL provision based on Valuation report provided by Kapadia Actuaries and Consultants.

II Liquid Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2024 is 48.41 against regulatory norms of 15%. Tier I capital is 47.01 as against requirement of 10%. Tier II capital is 1.40 which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

During the year, the Company has maintained around 20% to 27% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month to 2 Months	Over 2 Months up to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
As at 31st March, 2025									
Debt Securities (Refer Note 10)	Nil	4,907.46	Nil	2,072.19	5,165.10	7,352.77	Nil	Nil	19,497.52
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	5,333.39	4,657.94	4,528.41	12,363.36	20,923.30	17,661.98	Nil	Nil	65,468.40
Trade Payables		102.15							102.15
As at 31st March, 2024									
Debt Securities (Refer Note 10)	Nil	363.64	Nil	363.64	2,520.54	6,216.09	4,028.00	Nil	13,491.91
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	6,937.50	6,913.80	8,231.45	20,908.98	46,670.61	39,238.21	1,000.00	Nil	1,29,900.54
Trade Payables	Nil	160.46	Nil	Nil	Nil	Nil	Nil	Nil	160.46

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

III Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

Sensitivity

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

	For the year ended on 31st March, 2025	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits (Refer Note 2)	26,669.24	26,669.24
Impact on profit for the year	133.35	(133.35)
Variable Rate Borrowings (Refer Note 11)	64,468.40	64,468.40
Impact on profit for the year	(322.34)	322.34

V Foreign currency risk:

As at March 31, 2025, the company has outstanding foreign currency borrowings of Nil (March 31, 2024: Nil).

43. Additional Regulatory Disclosures (Non IND AS):

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013 are given only to the extent applicable:

i. During the year under Consideration the company has not traded or invested in crypto currency or virtual currency.

ii. The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

iii. The borrowing from the banks & financial institutions has been used for the specific purpose for which it was taken at the balance sheet date.

iv. There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961."

v. The company has not entered in to transaction with any companies which are struck off under section 248 of the Companies Act, 2013.

vi. During the year there has been no change in the aggregate of the net carrying value of assets on account of revaluation in respect of Property, Plant & Equipment and intangible assets.

vii. There are no intangible assets under development in the Company during the current reporting period.

viii. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above.

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

ix. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025 and March 31, 2024.

x. There are no charge which are pending for satisfaction with registrar of companies beyond the statutory period except.

Description of Charges	Charges Creation ₹ In Lakhs	Location of Registrar	Period up to which satisfaction registered	Reason for Delay
Term Loan from Following Banks & Financial Institutes				
Mas Financial Services Limited	20,00,00,000	Gujarat	--	The Company has repaid loans but NOC from respective Banks and financial Institutions are received in April 2025.
Hinduja Leyland Finance Limited	20,00,00,000			
Kissandhan Agri Financial Services Private Limited	10,00,00,000			
IDBI Trusteeship Services Limited	22,26,54,000			
Northern Arc Capital Limited	30,00,00,000			
DCB Bank Limited	20,00,00,000	Gujarat	--	The Company has repaid loans but NOC from respective Banks and financial Institutions are received in May 2025.
Nabkisan Finance Limited	12,00,00,000	Gujarat	--	The Company has repaid loans but NOC from financial Institution is yet to be received.

44. Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (updated as on February 22, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below **(Regulatory (Non-IND AS) Information):**

A. Capital to risk assets ratio (CRAR) : (₹ in Lakhs)

Sr. No.	Particulars	31st March, 2025	31st March, 2024
(i)	CRAR (%)	48.37%	32.80%
(ii)	CRAR Tier I Capital (%)	46.97%	31.20%
(iii)	CRAR Tier II Capital (%)	1.40%	1.60%
(iv)	Amount of subordinated debt raised as Tier-II Capital	1000	2000
(v)	Amount raised by issue of perpetual debt instruments	Nil	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

B. Investments (₹ in Lakhs)

Particulars	31st March, 2025	31st March, 2024
(1) Value of investments		
(i) Gross value of investments		
(A) In India	3,897.15	711.81
(B) Outside India	Nil	Nil
(ii) Provision for deprecation		
(A) In India	Nil	Nil
(B) Outside India	Nil	Nil
(iii) Net value of investments		
(A) In India	3,897.15	711.81
(B) Outside India	Nil	Nil
(2) Movement of provisions held towards Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add: provisions made during the year	Nil	Nil
(iii) Less: write-off/write-back of excess provisions during the year.	Nil	Nil
(iv) Closing balance	Nil	Nil

C. Company has no transactions /exposures in derivatives in the current year and previous year. Un-hedge foreign currency exposure as on 31st March, 2025 is Nil (P.Y. is Nil).

D. Disclosure relating to securitization :

The Company has entered into transaction of Securitization (PTC) of ₹ Nil during the Year Ended March 31, 2025 and previous years of ₹16,705.59 Lakhs. (₹ in Lakhs)

Sr No	Particulars	As at 31st March, 2025	As at 31st March, 2024
1)	No. of SPV's sponsored by the company for securitization transactions	Nil	4
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	Nil	14,780.58
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	• First loss	Nil	1,199.60
	• Others	Nil	Nil
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations	Nil	Nil
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations	Nil	Nil
	• First loss	Nil	Nil
	• Others	Nil	Nil

E. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction:

Details as given in Note 44(F).

F. Details of Direct assignment transactions undertaken by NBFC: (₹ in Lakhs)

Sr. No.	Particulars	As at March 31,2025	As at March 31,2024
i)	No. of Accounts	1,49,903	1,41,517
ii)	Book value of loans assets assigned during the year	60,638.30	55,907.40
iii)	Sale consideration received during the year	54,574.47	50,199.02
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	4,039.36	3,475.54

G. Details of non-performing assets purchase / sold

The Company has sold past written-off financial assets to securitization/reconstruction Company for asset reconstruction during the year as given below: (₹ in Lakhs)

Sr. No.	Particulars	As at March 31,2025	As at March 31,2024
I	Number of accounts	74,609	Nil
Ii	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
Iii	Aggregate consideration	3,675.00	Nil
iv	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v	Aggregate gain / (loss) over net book value	3,675.00	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

H. Assets Liability Management :

Maturity pattern of certain Assets and Liability as on March 31, 2025 (₹ in Lakhs)

Particulars	Up 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 years & up to 5 years	Over 5 years	Total
Deposits	5,004.12	718.00	492.62	2,724.60	15,064.15	2,695.69	-	-	26,699.18
Advances (Gross)	4,947.65	12,652.16	8,859.94	25,034.46	39,965.93	33,512.99	-	-	1,24,973.13
Investments	-	-	-	-	3,897.15	-	-	-	3,897.15
Cash & Cash Equivalent	6,294.09	-	-	-	-	-	-	-	6,294.09
Borrowings	5,333.39	9,565.40	4,528.41	14,435.55	26,088.40	25,014.76	-	-	84,965.91
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities (Included in above Borrowings)	-	-	-	-	-	-	-	-	-

I. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

J. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

K. Details of financing of parent Company products:

Not Applicable

L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

(i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: **Nil**

(ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: **Nil**

M. Unsecured Advances

i) Refer Note No. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (March 31, 2024: **Nil**)

N. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

i) Ministry of Corporate Affairs

ii) Ministry of Finance

O. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (all Amounts are ₹ in Lakhs, unless otherwise stated)

P. Grading assigned by credit rating agencies and migration of ratings during the year-

The CARE Analytics and Advisory Private Limited has assigned rating of "MFI 1" during the year.

Q. Rating assigned by credit rating agencies and migration of ratings during the year 2024-25

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Ratings & Research	28-Feb-25	ACUITE A | Outlook - Negative	Note 1	81000.00
2	Non Convertible Debentures	Acuite Ratings & Research	28-Feb-25	ACUITE A | Outlook - Negative	Note 1	4000.00
3	Non Convertible Debentures	Care Edge Rating	07-Jan-25	CARE A- | Outlook - Stable	Note 1	2275.00
4	Non Convertible Debentures	Care Edge Rating	07-Jan-25	CARE A- | Outlook - Stable	Note 1	4100.00
5	Non Convertible Debentures	Care Edge Rating	07-Jan-25	CARE A- | Outlook - Stable	Note 1	4250.00
6	Non Convertible Debentures	Care Edge Rating	07-Jan-25	CARE A- | Outlook - Stable	Note 1	5000.00
7	Non Convertible Debentures	CRISIL Ratings	11-Dec-24	CRISIL BBB+ | Outlook - Stable	Note 1	4600.00

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2023-24

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Research & Ratings	05-Feb-24	ACUITE A- | Outlook - Stable	Note 1	43700.00
2	Non Convertible Debentures	Acuite Research & Ratings	05-Feb-24	ACUITE A- | Outlook - Stable	Note 1	4000.00
3	Non Convertible Debentures	Acuite Research & Ratings	05-Feb-24	PP-MLD | ACUITE A- | Outlook Stable	Note 1	4200.00
4	Non Convertible Debentures	Acuite Research & Ratings	18-Aug-23	ACUITE A- | Outlook - Stable	Note 1	4000.00
5	Non Convertible Debentures	CRISIL Ratings	12-Dec-23	CRISIL BBB+ | Outlook - Stable	Note 1	4600.00
6	Securitisation	CARE Ratings	06-Mar-24	CARE A- | Outlook - Stable	Note 1	4100.00
7	Securitisation	CARE Ratings	01-Oct-23	CARE A+ (SO)	Note 1	3073.00
8	Securitisation	CARE Ratings	01-Jun-23	CARE A (SO)	Note 1	2792.00
9	Securitisation	ICRA	19-Jul-23	ICRA A+ (SO)	Note 1	2115.00
10	Securitisation	CARE Ratings	21-Apr-23	CARE A (SO)	Note 1	6801.00
11	Securitisation	CARE Ratings	26-Jun-23	CARE A+ (SO)	Note 1	2702.00

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

R. Remuneration of Directors

Refer Note no. 37 of Financial Statements

S. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

T. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

U. Revenue Recognition

Refer Para 3.1 of significant accounting policies to the financial statements.

V. Ind AS 110 - consolidated financial statements (CFS)

Not Applicable.

W. Provisions and Contingencies :

The information on all provisions and contingencies is as under: (₹ in Lakhs)

Break up of 'provisions and contingencies' showed under the head expenditure in the statement of profit and loss.	As at 31st March, 2025	As at 31st March, 2024
Provision made towards income tax	697.87	4927.82
Provision for employee benefits	75.88	53.29
Provision towards impaired assets (Stage3)	(1099.52)	1199.36
Provision towards impaired assets (Stage1 and 2)	2826.74	738.55
Provision towards Interest on Credit impaired assets	(83.50)	173.49

X. Drawn down from Reserves:

There is no draw down from reserves during the year.

Y. Concentration of deposits (for deposit taking NBFCs)

Not applicable, Non-Deposit Taking NBFC

Z. Concentration of advances

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

AA. Concentration of exposure

The Company is in Retail Advance Segment hence there is no such substantial Concentration.

BB. Concentration of Stage 3 assets

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

CC. Sector-wise Stage 3 assets (Gross) :

Sector	% of Stage 3 assets to Total Advances in that sector as at 31st March, 2025	% of Stage 3 assets to Total Advances in that sector as at 31st March, 2024
Micro Finance	3.36%	2.94%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

DD. Movement of Stage 3 Assets: (₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(i) Net stage 3 assets to net advances (%)	0.37%	0.16%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	5046.91	3,655.79
(b) Additions during the year	4,602.12	5,091.79
(c) Reductions during the year	(5,493.19)	(3,700.66)
(d) Closing balance	4,155.85	5,046.91
(iii) Movement of net stage 3 assets		
(a) Opening balance	254.84	63.07
(b) Additions during the year	571.18	409.21
(c) Reductions during the year	(362.73)	(217.44)
(d) Closing balance	463.29	254.83
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	4,792.08	3,592.72
(b) Additions during the year	4,031.64	4,682.58
(c) Reductions during the year	(5,131.16)	(3,483.22)
(d) Closing balance	3,692.56	4,792.08

EE. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

Nil

FF. Details of Average interest and charges paid on borrowing and charged on loans given to JLG:

Particulars	Rate of Interest in %
Average interest rate on borrowings	12.89%
Average interest rate on Loans given to JLGs	26.95%

GG. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
a)	No. of complaints pending at the beginning of the year	5	2
b)	No. of complaints received during the year	167	99
c)	No. of complaints redressed during the year	171	96
d)	No. of complaints pending at the end of the year	1	5

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Top five grounds of complaints received by the NBFCs from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at beginning of year	Number of complaints received during year	% increase/ decrease in number of complaints received over previous year	Number of complaints pending at end of year	of 5, number of complaints pending beyond 30 days
FY 24-25					
Rectification in Credit Bureau Report	-	126	740.00%	-	-
Delay in releasing NOC	-	-	-	1	-
Closer & Settlement	-	41	(39.71%)	-	-
Clarification on Statement of Accounts	-	-	-	-	-
FY 23-24					
Rectification in Credit Bureau Report	-	15	100.00%	-	-
Delay in releasing NOC	-	4	(90.24%)	1	-
Closer & Settlement	-	68	(26.88%)	4	-
Clarification on Statement of Accounts	-	12	100.00%	-	-
Others	-	-	-	-	-

45. Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard (Regulatory (Non-IND AS) Information): (₹ in Lakhs)

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms*	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage- 1	1,12,377.20	1,513.06	1,10,864.14	449.51	1,063.55
	Stage- 2	8,440.08	3,815.94	4,624.14	33.76	3,782.18
Sub total		**1,20,817.28**	**5,329.00**	**1,15,488.28**	**483.27**	**4,845.73**
B. Non-Performing Assets						
Sub standards	Stage- 3	4,155.85	3,692.56	463.29	2,981.58	710.98
Doubtful up to 1 year	Stage- 3	Nil	Nil	Nil	Nil	Nil
1 to 3 years	Stage- 3	Nil	Nil	Nil	Nil	Nil
More than 3 years	Stage- 3	Nil	Nil	Nil	Nil	Nil
Loss	Stage- 3	Nil	Nil	Nil	Nil	Nil
Subtotal of NPA		**4,155.85**	**3,692.56**	**463.29**	**2,981.58**	**710.98**
Total	Stage 1	1,12,377.20	1,513.06	1,10,864.14	449.51	1,063.55
	Stage 2	8,440.08	3,815.94	4,624.14	33.76	3,782.18
	Stage 3	4,155.85	3,692.56	463.29	2,981.58	710.98
Total		**1,24,973.13**	**9,021.56**	**1,15,951.57**	**3,464.85**	**5,556.71**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

*As per Master Circular - 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs)-directions dated July 1, 2015 vide reference no. RBI/2015-16/20, DNBR (PD) CC.No.047/03.10.119 / 2015-16, provisioning for the Non-AP portfolio would be as per the December 02, 2011 directions with effect from April 1, 2013 is "The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio (₹1,685.78 Lakhs) or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more (₹2,981.58 Lakhs) Provision of 0.4% on Stage 1 & 2 assets comes to ₹483.27 Lakhs. Considering both total provision as per IRACP Norms is of ₹3,464.85 ".

46. Information as required in terms of Paragraph 19 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (Regulatory (Non-IND AS) Information):

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid (₹ in Lakhs)

Sr No.	Particulars	Year ended March 31, 2025	
		Amount Outstanding	Amount Overdue
a)	Debentures: Secured	19,661.16	Nil
	: Unsecured (Other Than falling within the meaning of public deposits*)	Nil	Nil
b)	Deferred Credits	Nil	Nil
c)	Term Loans	64,613.21	Nil
d)	Inter-Corporate Loans and borrowings	Nil	Nil
e)	Commercial Paper	Nil	Nil
f)	Other loans:		
	From Banks (Cash Credit/OD)	535.60	Nil
	From a Company	Nil	Nil
	Security Deposits	Nil	Nil
	Advances Received against loan agreements	Nil	Nil

*Please see note 1 below

B. Break-up of (1)(f) above (outstanding public deposits* inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2025	
		Amount Outstanding	Amount Overdue
a)	In the form of unsecured debentures	Nil	Nil
b)	In the party secured Debentures i.e. debenture where there is shortfall in the value of security	Nil	Nil
c)	Other public deposits	Nil	Nil

*Please see note 1 below

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below) (₹ in Lakhs)

Sr. No.	Particulars	Amount Outstanding
a)	Secured	Nil
b)	Unsecured	1,15,951.57

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities (₹ in Lakhs)

Sr. No.	Particulars	Amount Outstanding
(i)	**Lease assets including lease rentals under sundry debtors:**	
	a) Financial Lease	Nil
	b) Operating Lease	Nil
(ii)	**Stock on hire including hire charges under sundry debtors:**	
	a) Assets on hire	Nil
	b) Repossessed assets	Nil
iii)	**Other loans counting towards AFC activities**	Nil
	a) Loans where assets have been reprocessed	Nil
	b) Loans other than a) above	Nil

E. **Break-up of Investments:**

Refer Note 44 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above: (₹ in Lakhs)

Sr. No.	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	**Related Parties****			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies with the same group	Nil	2,857.48	2,857.48
	c) Other related parties	Nil	Nil	Nil
2	**Other than related parties**	Nil	1,13,094.10	1,13,094.10
	Total	**Nil**	**1,15,951.57**	**1,15,951.57**

G. **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):** (₹ in Lakhs)

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	**Related parties****		
	a) Subsidiaries	Nil	Nil
	b) Companies in the same group	Nil	Nil
	c) Other related parties	Nil	Nil
2	**Other than related parties**	3,897.15	3,788.75
	Total	**3,897.15**	**3,788.75**

**As per Ind AS issued by MCA (Refer Note 3 below)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

H. **Other Information:** (₹ in Lakhs)

Sr. No.	Particulars	Amount
(i)	**Gross non- performing Assets**	
	a) Related parties	Nil
	b) Other than related parties	4,155.85
(ii)	**Net non-performing assets**	
	a) Related parties	Nil
	b) Other than related parties	463.29
(iii)	**Assets acquired in satisfaction of debt**	Nil

Notes:

1. As defined in point xix of paragraph 3 of Chapter - 2 of these Directions.
2. Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in E above.

47. Public Disclosure on Liquidity Risk for the year ended March 31, 2025 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (₹ in Lakhs)*	% of Total Deposits	% of Total liabilities³
As at March 31, 2025	24	78,700.26	-	82.22%
As at March 31, 2024	27	1,28,744.99	-	85.00%

*Includes securitization liabilities exposure

(ii) Top 20 large deposits (₹ in lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total amount of top 10 borrowings*	51,512.01	84,237.40
Percentage of amount of top 10 borrowings to total borrowings	53.82%	58.75%

*Includes securitization liabilities exposure

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

(iv) Funding concentration based on significant instrument/product[2] (₹ in Lakhs)

Sr. No.	Name of the instrument /product	As at 31st March, 2025		As at 31st March, 2024	
		Amount	% of Total Liabilities[3]	Amount	% of Total Liabilities[3]
1	Redeemable non-convertible debentures (Secured)	19,497.52	20.37%	13,491.91	8.91%
2	Term loan from banks	46,443.16	48.52%	65,257.54	43.08%
3	Term loan from financial institutions/ Corporates	17,489.64	18.27%	38,118.23	25.17%
4	Other Term Loans (PTC Transactions & C.C)	-	-	6,048.32	3.99%
5	Subordinated debts	1,000.00	1.04%	2,000.00	1.32%
6	Short term Funding (C.C.)	535.60	0.57%	18,476.44	12.20%

(v) Stock ratios:

Sr. No.	Particulars	As at 31st March, 2025			As at 31st March, 2024		
		As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets	As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets
(a)	Commercial papers	-	-	-	-	-	-
(b)	Non-convertible debentures (Original maturity of less than one year)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c)	Other short-term liabilities[5]	70.56%	62.64%	37.58%	64.91%	61.45%	44.99%

***Notes:**

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R. NBFC (PD) CC .No.102/03.10.001 /2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R. NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
5. Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2025 and March 31, 2024.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 *(all Amounts are ₹ in Lakhs, unless otherwise stated)*

48. Sectoral Exposures: (₹ in Lakhs)

Sr. No.	Sectors	Current Year			Previous Year		
		Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	% of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	1,25,150.85	3,788.34	3.03%	1,82,302.79	4,316.99	2.37%
2	Industry						
	Product Manufacturers	12,884.48	181	1.40%	23,993.59	723.51	3.02%
	Total of Industry	**12,884.48**	**181**	**1.40%**	**23,993.59**	**723.51**	**3.02%**
3	Services						
	Others (Micro activities & essential services)	15,238.00	141.38	0.93%	10,057.99	443.87	4.41%
	Total of Services	**15,238.00**	**141.38**	**0.93%**	**10,057.99**	**443.87**	**4.41%**
4	Personal Loans						
5	Others	15,304.66	533.61	3.49%	2,956.52	162.30	5.49%

49. There have been no events after the reporting date that requires disclosure in these financial statements.

50. Details of frauds reported during the year are disclosed as under, as per the Master Directions on Monitoring of Frauds in NBFCs:

Sl. No.	Branch, State	Details of the Case	Date of Reporting to RBI.	Amount (₹ in Lakhs)	Recovery Amount (₹ in Lakhs)
1	Maharajganj, Bihar	64 MFI loans disbursed during Jan-2023 to Oct-2023 discontinued EMI repayment after the initial 2-3 EMIs. While investigating these cases, it was discovered that the customers had provided fake KYC documents through collusion with Ex-employees and other local agents to obtain the loans.	15-10-2024	28.80	4.16
2.	Bikramganj, Bihar	The Field Officer (FO) collected the bulk payment / Loan foreclosure amount from 68 customers. Only the EMI amount was deposited by the FO instead of the entire amount collected. The same was revealed during the routine internal audit conducted by the Audit Department.	08-01-2025	11.10	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2025 (*all Amounts are ₹ in Lakhs, unless otherwise stated*)

51. As required in terms of paragraph 48 of Non-Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, schedule to the Balance Sheet of a Non-Banking Financial Company are annexed hereto.

52. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year, impact of the same is not material to the financial statements.

Signature to notes "1" to "52"
As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M. No.111052]

Place: Ahmedabad
Date: 29th May, 2025

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Chirag Vora
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Urvish Karathiya
Company Secretary
(M. No. A69313)

Arman Financial Services Limited

502-503, Sakar-III, Opp. Old High Court
Off. Ashram Road, Ahmedabad-380014, Gujarat

CIN: L55910GJ1992PLC018623

Phone: 079-40507000; 27541989
E-Mail: finance@armanindia.com; secretarial@armanindia.com
Website: www.armanindia.com