Midland microfin
beyond microfinance

When the
Ground is Firm,
DREAMS CAN GROW





Annual Report
2025-26

ACROSS THE PAGES

Corporate Overview 1-67

Report Context & Approach	2
How to Navigate this Report	3
This is Midland Microfin	4
Key Highlights	8
Our Journey	10
Our Strengths	12
Operating Environment	14
Chairman's Message	16
MD's Message	18
President, CFO & COO's Message	20
Our Offerings	22
Joint Liability Groups Model (JLG)	26
Stories of Impact	28
Strategy in Action	34
Stakeholder Engagement	40
Our Risk Philosophy	42
Operational Performance	46
ESG Framework	48
Environmental Responsibility	52
People Impact	54
Community Impact	56
Governance & Ethics	58
Leadership	62
Awards & Recognitions	66

Statutory Reports 68-149

Board's Report	68
Management Discussion and Analysis	91
Corporate Governance Report	115
Report on Corporate Social Responsibility	142
Disclosure of Remuneration	144
Secretarial Audit Report	147

Financial Statements 150-254

Independent Auditor's Report	150
Balance Sheet	162
Statement of Profit & Loss	163
Statement of Cash Flows	164
Statement of Changes in Equity	166
Notes to the Financial Statements	169

Investor Information		
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Debenture Trustee	:	Catalyst Trusteeship Limited Beacon Trusteeship Limited
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WHEN THE GROUND IS FIRM, DREAMS CAN GROW

Every aspiration needs a strong foundation before it can take flight. For millions who remain underserved, financial inclusion is that foundation, providing the confidence to invest, the means to build livelihoods and the opportunity to shape a better future. At Midland Microfin Limited, we are committed to creating this foundation through responsible finance, enabling individuals to move from uncertainty to opportunity.

Guided by trust and purpose, we continue to expand access to credit where it matters most, empowering women entrepreneurs, strengthening rural economies and fostering sustainable progress. As we deepen our reach and reinforce our capabilities, we remain focused on creating lasting impact, because when the foundation is secure, ambitions grow stronger, enterprises thrive and dreams become enduring realities.



Report Context & Approach

ABOUT THE REPORT

This Integrated Report presents Midland Microfin Limited's financial and non-financial performance for the financial year ended 31st March 2026. It provides a balanced overview of our strategy, operating environment, governance, business performance, risk management and sustainability initiatives, demonstrating how we create long-term value for our stakeholders while advancing financial inclusion through responsible lending. Prepared with an integrated reporting perspective, the Report brings together financial results and material non-financial information to present a holistic view of our Company's ability to create sustainable value over the short, medium and long term.

Reporting Principles

This Report has been prepared in accordance with the applicable provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS), the Reserve Bank of India's (RBI) regulatory framework applicable to NBFCs and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable. The disclosures are guided by the principles of transparency, reliability, materiality and balanced reporting.

Reporting Period, Scope and Boundary

This Report covers the period from 1st April 2025 to 31st March 2026, unless stated otherwise. It encompasses Midland's operations across its branch network and corporate office and includes information relating to our Company's financial, operational, governance, social and environmental performance during the year.

Integrated Reporting Approach

The Report adopts an integrated reporting approach by connecting strategy, governance, financial performance, risk management and ESG priorities. It reflects how Midland creates sustainable value by expanding access to responsible financial services while maintaining prudent risk management, strong governance and operational discipline.

Materiality

The content of this Report is based on matters considered material to Midland's business and its stakeholders. These include business performance, portfolio quality, customer protection, risk management, governance, technology, human capital, financial inclusion, ESG priorities and long-term sustainability. The Report seeks to provide balanced disclosures on issues that significantly influence the Company's ability to create value.

Stakeholders Covered

This Report is intended for a wide range of stakeholders, including:

- Shareholders, Investors and Lenders
- Customers and Borrower Communities
- Employees
- Regulators and Policymakers
- Business Partners and Service Providers
- Communities

Forward-looking Statements

This Report contains forward-looking statements relating to Midland's future business performance, financial position, growth strategies and operating environment. These statements are based on current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Readers are advised not to place undue reliance on such statements and should read them in conjunction with the Management Discussion and Analysis and Risk Management sections of this Report.

Assurance

The financial information presented in this Report has been audited by our Company's Statutory Auditors. Non-financial information has been compiled through internal reporting systems and reviewed by our Company's management through established governance and validation processes to ensure consistency, accuracy and reliability.

How to Navigate this Report

READING MIDLAND THROUGH MULTIPLE LENSES

This report is designed to provide a connected view of Midland's strategy, operating environment, business model, governance and long-term value creation. The chapters build progressively, helping readers understand how our Company has navigated a changing microfinance landscape while strengthening its institutional capabilities and advancing responsible financial inclusion.

What You May Want to Understand	Where to Find It
What is Midland Microfin, what do we stand for, and what are our key strengths?	This is Midland Microfin; Our Journey; Our Strengths
How has Midland delivered disciplined growth while navigating a challenging microfinance environment?	Key Highlights; Operating Environment; Chairman's Message; Managing Director's Message; Operational Performance
What differentiates Midland's lending model and supports long-term customer relationships?	Our Offerings; Joint Liability Group (JLG) Model; Stories of Impact
How is Midland strengthening the future through product diversification, digital transformation and disciplined execution?	Strategy in Action; Our Offerings; Operational Performance
How does Midland identify, manage and mitigate business risks while maintaining portfolio quality?	Operating Environment; Our Risk Philosophy; Operational Performance
How is our Company creating value for customers, employees and communities beyond financial performance?	People Impact; Community Impact; Stories of Impact
How are environmental, social and governance (ESG) principles integrated into our business?	ESG Framework; Environmental Responsibility; People Impact; Community Impact; Governance & Ethics
How does Midland ensure strong governance, ethical conduct and regulatory compliance?	Governance & Ethics; Leadership
Who guides Midland's strategy and long-term vision?	Chairman's Message; Managing Director's Message; President, CFO & COO's Message; Leadership
What recognitions reflect Midland's culture and organisational excellence?	Awards & Recognitions

This is Midland Microfin

BUILT ON TRUST. FOCUSED ON PROGRESS.

Established in 2011, Midland Microfin Limited ('Midland', 'Our Company' or 'We') is a technology-enabled microfinance institution working to bring formal finance within reach of India's underserved communities. Built on responsible lending, disciplined risk management and a predominantly Joint Liability Group (JLG) model, our work enables women entrepreneurs and micro-enterprises to build sustainable livelihoods.

What We Stand for

As Midland continues to expand its reach and strengthen its operations, we remain focused on leveraging technology to enhance efficiency, maintaining robust governance and risk management practices, and delivering responsible and accessible financial solutions to underserved communities. Through this approach, we aim to deepen our customer relationships, strengthen our institutional resilience and create sustainable value across the communities we serve.

Vision

To be a world-class, role model, technology-driven Microfinance Institution providing support to progressive poor at low cost.

Mission

Encourage micro-enterprise as a source of sustainable livelihood, with special emphasis on women by providing financial services with the help of technology. Work for financial and social empowerment of women. Provide easy access to financial services for low-income entrepreneurs so they can improve their standard of living and create sustainable assets for themselves.

Core Values

- Courage
- Responsibility
- Achievement
- Respect
- Commitment



What Drives Us

Responsible Lending

We follow a disciplined lending philosophy supported by robust underwriting, bureau checks, borrower indebtedness assessment and responsible credit practices that place customer sustainability ahead of rapid expansion.

Portfolio Quality

Maintaining a resilient portfolio remains central to our strategy. Enhanced monitoring, the Early Warning System framework, prudent provisioning and continuous risk oversight strengthened portfolio quality throughout the year.

Digital Enablement

Technology supports every stage of our lending cycle, from digital onboarding and credit assessment to collections, monitoring and customer servicing. During the year, intelligent automation, Bank Statement Analyzer and Account Aggregator integration further enhanced operational efficiency and decision-making.

Measured Expansion

Rather than pursuing aggressive growth, we expanded selectively into four new states to diversify geographic concentration and strengthen long-term portfolio resilience.

ESG Integration

We continued strengthening our ESG framework by expanding renewable energy adoption across branches, increasing digital and paperless operations, supporting clean-energy financing, reinforcing governance practices and integrating ESG considerations into lending and business decisions.

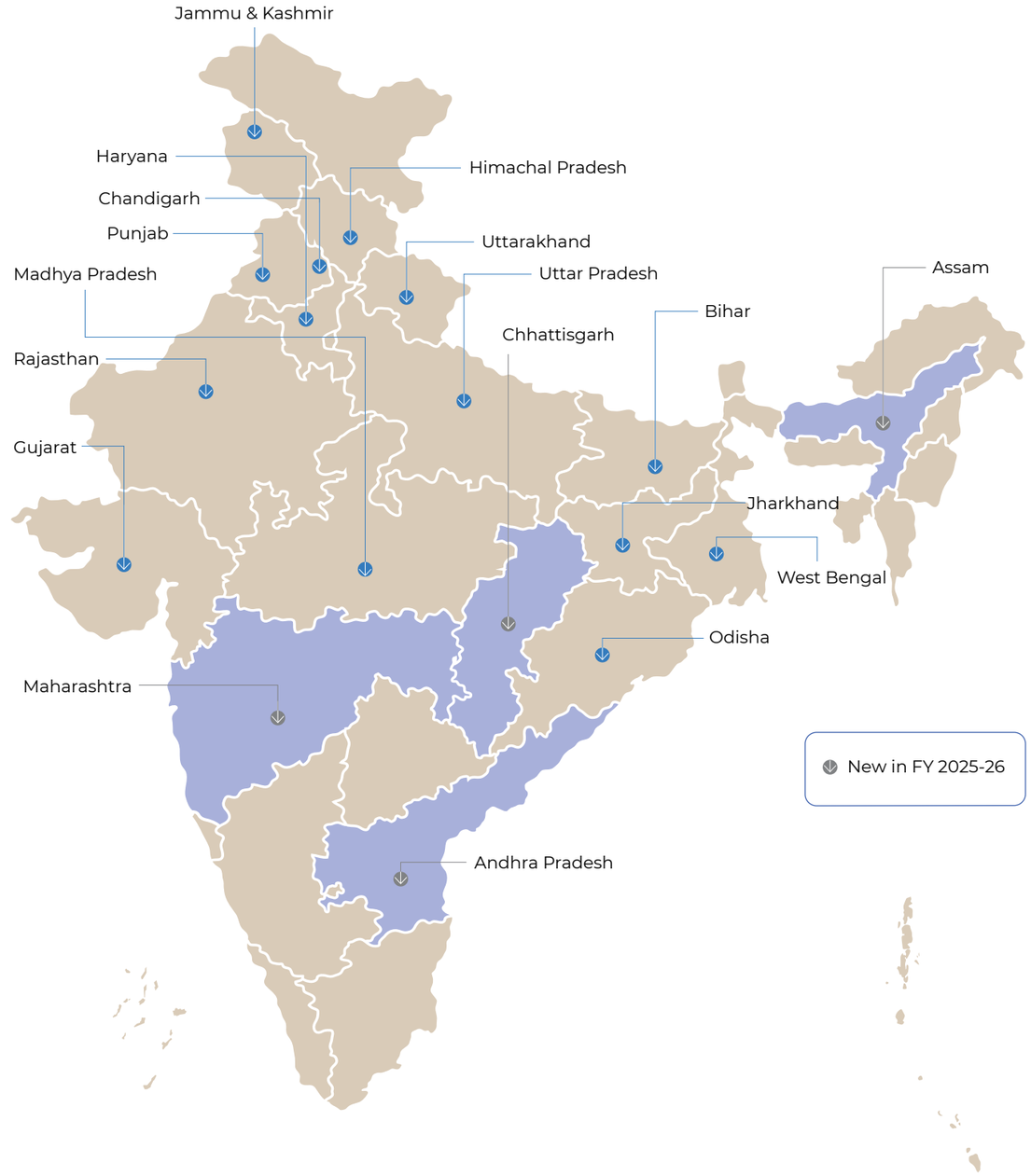
Social Impact

Our impact extends beyond access to credit. By supporting women entrepreneurs in building their livelihoods and undertaking community initiatives across financial literacy, health, education and welfare, we aim to create meaningful value in the communities where we operate.



Where We Operate

We continue to deepen financial inclusion across rural and semi-urban India through an expanding branch network and strong local presence. During FY 2025-26, we extended our footprint into Chhattisgarh, Maharashtra, Andhra Pradesh and Assam, further diversifying our operations while reducing portfolio concentration in key markets. Our expansion remains guided by a disciplined approach that balances growth with portfolio quality, operational readiness, risk management and long-term sustainability.



Disclaimer: This map is a generalised illustration for ease of understanding and is not intended for reference. The depiction of political boundaries and geographical names may not reflect actual positions. Our Company and our directors, officers or employees accept no responsibility for any use, misuse or interpretation of the information, and make no representation regarding its accuracy or completeness.

Key Highlights

A YEAR OF DISCIPLINED PROGRESS

FY 2025-26 reflects a disciplined approach to growth amid a challenging industry environment. Supported by prudent risk management, responsible lending and technology-led execution, we strengthened our financial performance, expanded into new geographies and continued creating meaningful social and environmental impact.



Financial Performance

A resilient financial foundation supporting sustainable growth

- INR **3,207.85** Cr. — Assets under Management (AUM)
- INR **15,318.25** Cr. — Cumulative Loan Disbursements*
- INR **647.49** Cr. — Total Revenue
- INR **34.76** Cr. — Profit After Tax (PAT)
- **29.44%** — Capital Adequacy Ratio

Operational Scale

Expanding access through a growing nationwide presence

- **1,080,733** — Active Borrowers*
- **636** — Branch Network*
- **16** States and **2** Union Territories — Operational Presence
- **285** — Districts Covered*
- **113,069** — Villages Impacted*
- **4** — New States Added

Portfolio Strength

Maintaining portfolio resilience through prudent lending

- **99.9%** — X-Bucket Collection Efficiency
- **1.99%** — Gross NPA
- **0.64%** — Net NPA
- **71.78%** — Portfolio Covered under CGFMU

ESG & Impact

Creating value beyond finance

- **151** — Solar-powered Branches
- **17,169** — Solar Products Financed
- **386,935** — Households Empowered with Clean Energy through the MEC programme
- **62,123 tCO_2e** — Emission Reductions Facilitated through the Micro Energy Credit (MEC) programme
- **99%** — Customer Complaints Resolved within TAT
- **57%** — Female Employees in Head Office

As of 27th July, 2026

Our Journey

THE FOUNDATIONS OF A RESILIENT INSTITUTION

Every milestone in Midland's journey reflects a conscious choice to build responsibly. From strengthening our capital base and expanding into new geographies to embracing technology and sustainable growth, each step has reinforced our commitment to creating long-term value for customers, communities and stakeholders.

2011

- Started **Midland Microfin Limited**

2015

- Raised **INR 25 Cr.** Debt through IPO and listed with BSE Limited for the first time.
- Crossed cumulative disbursement of **INR 2000 Cr.**

2016

- Received Capital from **Kitara Capital (PE)**

2019

- Crossed **INR 500 Cr. AUM**
- Achieved **NBFC-ND-SI** status
- Expanded to **150+ branches**
- Raised the first **INR 40 Cr. ECB** from Triple Jump (Netherlands)

2020

- Earned Great Place to Work® certification
- Promoters infused **INR 19 Cr.** Capital during the pandemic

2021

- Promoters infused an additional **INR 45 Cr.** Capital

2022

- Raised **INR 75 Cr.** Capital from **ICICI Bank** and **Kitara Capital**
- Crossed **INR 1000 Cr.** AUM

2023

- Raised **INR 34 Cr.** Capital
- Crossed **INR 1,900 Cr. AUM**
- Expanded to **300+ branches**
- Crossed **5 Lakh Customers**

2024

- Raised **INR 71.02 Cr.** Capital
- Recorded the highest monthly disbursement of **INR 395 Cr.**
- Crossed **INR 2500 Cr.** AUM

2025

- Raised approximately **INR 113 Cr.** Capital
- Opened **81 new** Branches
- Crossed **10 Lakh** Customers

2026

- Crossed **INR 3,200 Cr. AUM (INR 3,207.85 Cr.)**
- Expanded into **Assam, Maharashtra, Chhattisgarh and Andhra Pradesh**
- Piloted the **Home Improvement Loan (HIL)**
- Strengthened digital capabilities through **Bank Statement Analyzer, Account Aggregator, UPI AutoPay and E-NACH**
- Opened **96 new branches**



Our Strengths

THE STRENGTH BEHIND OUR RESILIENCE

Our strength lies in the institutional capabilities we have built over the years. A disciplined operating model, technology-led decision-making, prudent risk management and a customer-first approach allow us to respond to changing market dynamics while creating long-term value for customers, partners and stakeholders.

1 Disciplined Expansion

We pursue growth with prudence rather than pace. Our expansion strategy is supported by FOIR-based underwriting, borrower indebtedness assessment, calibrated market selection and robust credit guardrails, keeping portfolio quality at the heart of every lending decision.

2 Intelligent Credit and Digital Execution

Technology is embedded across our lending lifecycle. Bank Statement Analyzer, Account Aggregator, digital underwriting capabilities and automated credit workflows strengthen underwriting quality, improve decision-making and enhance operational efficiency.

3 Diversified Lending Platform

Our lending platform continues to evolve beyond traditional group lending through a balanced portfolio approach. By strengthening individual lending capabilities and building readiness for secured lending, we are creating a more resilient and future-ready franchise that supports customers throughout their financial journey.

4 Customer-centric Service Delivery

We combine technology with strong field engagement to deliver a seamless customer experience. Digital servicing, structured grievance management, transparent communication and responsive support build customer confidence and strengthen long-term relationships.

5 Institutional Governance

Independent oversight, robust compliance practices, enterprise risk management and clearly defined governance frameworks strengthen accountability across the organisation. This disciplined governance architecture supports responsible decision-making and sustainable business growth.

6 Sustainability-led Business Practices

Environmental and social considerations are increasingly embedded in our operations and business practices. Responsible financing, resource-efficient operations and a structured ESG approach reinforce our commitment to creating sustainable value for both communities and stakeholders.

7 Future-ready Organisation

Continued investments in people, technology, digital capabilities, funding diversification and organisational processes are strengthening Midland's institutional foundation and preparing us for our next phase of sustainable and responsible growth.

8 Geographic and Product Diversification

We continue to diversify our presence across geographies and broaden our product portfolio in a measured manner. This approach reduces concentration risk, strengthens portfolio resilience and enables us to serve a wider range of customer needs across our markets.



Operating Environment

ADAPTING TO A CHANGING MICROFINANCE LANDSCAPE

The microfinance sector underwent a period of recalibration in FY 2025-26. After years of rapid expansion, the industry turned its attention to portfolio quality, prudent underwriting and responsible lending. Alongside this, digital adoption, evolving customer aspirations and product diversification continued to reshape the operating landscape. Amidst these shifts, we stayed focused on disciplined expansion, institutional strengthening and sustainable value creation.

Industry Trends

1 Digitalisation is Transforming Microfinance

The adoption of Digital Public Infrastructure (DPI), Aadhaar-enabled services, e-KYC, UPI, Account Aggregator frameworks and data-driven credit assessment is reshaping the microfinance ecosystem. By streamlining onboarding, underwriting, collections and servicing, these technologies are making finance both more efficient to deliver and more widely accessible.

2 Borrower Needs are Evolving

As household incomes and entrepreneurial aspirations grow, customers increasingly seek financing beyond traditional group lending. Demand is expanding towards enterprise development, home improvement, MSME financing and other purpose-led solutions, encouraging lenders to broaden their product portfolios.

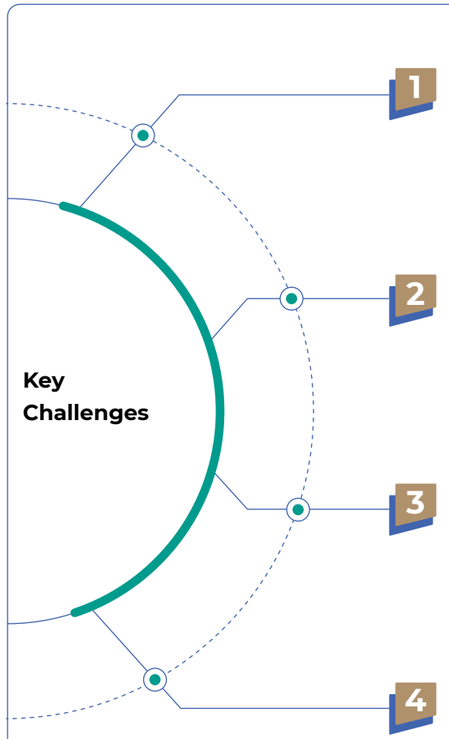
3 Product Evolution is Driving Sector Maturity

The industry is gradually moving beyond a predominantly Joint Liability Group (JLG) model towards a more diversified mix of individual lending, MSME financing and secured credit. This evolution is helping institutions reduce concentration risk, strengthen customer retention and build more resilient portfolios.

4 Responsible Lending is Defining Growth

The industry is placing greater emphasis on responsible underwriting, customer protection, portfolio quality and prudent credit practices. Growth is increasingly measured by portfolio resilience and sustainability rather than scale alone.





Over-indebtedness

Higher borrower indebtedness and multiple lending relationships in certain geographies continued to influence repayment behaviour, reinforcing the importance of borrower-level credit assessment and lending discipline.

Regional Concentration

High portfolio concentration in select states heightened the Company's exposure to localised economic, climatic, and regulatory disruptions, underscoring the strategic importance of geographic diversification.

Financial Stress

Tighter credit conditions and elevated borrower leverage created repayment challenges across parts of the sector, highlighting the importance of proactive portfolio monitoring and strong customer engagement.

Building a Resilient Portfolio

As lenders strengthened underwriting standards and deepened customer due diligence, credit growth moderated across the industry - a deliberate shift towards building a portfolio anchored in quality and durability.

Midland's Strategy

Key Focus Area	Our Strategic Focus
Digitalisation	Strengthened digital execution through the implementation of Bank Statement Analyzer, Account Aggregator, UPI AutoPay, E-NACH, Aadhaar-based e-signatures and the Midland Customer App, improving underwriting, collections and customer experience.
Changing Borrower Needs	Expanded Individual Enterprise Loans, piloted the Home Improvement Loan (HIL) and laid the operational foundation for a dedicated secured lending business to support customers as their financing needs evolve.
Portfolio Diversification	Continued building a more balanced lending portfolio through individual lending, social impact products and preparations for secured lending, supporting customer lifecycle engagement and long-term portfolio resilience.
Over-indebtedness	Adopted Guardrails 2.0, Sankalp 2.0, FOIR-based lending and strengthened bureau-led credit assessment. We also consciously avoided extending credit where Midland would become the fourth lender to a borrower, reinforcing responsible lending practices and protecting long-term portfolio quality.
Regional Concentration	Entered Assam, Maharashtra, Chhattisgarh and Andhra Pradesh, adopting a calibrated expansion strategy that diversified the geographic portfolio while reducing concentration risk.
Collection and Portfolio Quality	Combined digital collections, proactive monitoring and field engagement to maintain 99.9% X-Bucket collection efficiency, with GNPA at 1.99% and NNPA at 0.64%, reflecting continued portfolio discipline.
Industry Recalibration	Rather than pursuing aggressive expansion, we prioritised disciplined underwriting, measured growth and institutional strengthening, enabling us to grow responsibly while preserving portfolio quality amid a challenging operating environment.

Chairman's Message

PURPOSE BEYOND GROWTH. BUILDING TRUST FOR GENERATIONS.



Our aspiration extends beyond becoming a larger financial institution. We seek to build an organisation recognised for its integrity, institutional strength, governance standards and enduring contribution to India's financial inclusion journey.

Dear Shareholders,

Every period of transformation asks institutions to make a choice: to pursue growth at any cost or to grow with purpose, strengthening the foundations that create enduring value. At Midland Microfin, we have consistently chosen the latter.

As Midland Microfin completes 15 years of advancing financial inclusion, our journey is reflected not only in the scale we have built but also in the aspirations we have helped realise. Today, we serve more than 10.81 Lakh borrowers across 16 states and 2 union territories, enabling livelihoods, supporting women entrepreneurs and expanding access to formal finance. Behind every loan is a story of enterprise, resilience and opportunity. That purpose continues to shape our decisions.

For us, financial inclusion has never been limited to extending credit. It is about enabling aspirations, creating opportunities, strengthening livelihoods and empowering individuals to take a fuller part in India's economic growth. That belief has shaped us from the outset and still guides every decision we make.

A Year that Reinforced the Value of Responsible Finance

FY 2025-26 was a year of global strain, marked by geopolitical uncertainty, shifting trade dynamics and persistent economic volatility. India held firm. Sustained public investment, steady domestic consumption, expanding digital infrastructure and a steady policy focus on financial inclusion kept it among the world's fastest-growing major economies and kept the long-term case for responsible finance intact.

The microfinance sector, however, went through a marked recalibration. After years of rapid expansion, portfolio growth slowed as the industry confronted borrower overleveraging, multiple lending relationships and tighter regulatory expectations. Stronger guardrails and a sharper focus on responsible lending brought greater rigour to underwriting, stronger portfolio management and a renewed commitment to customer protection.

These shifts slowed growth in the near term, but they moved the sector towards something more valuable: a healthier, more stable and better-governed microfinance ecosystem. As the industry matures, success will be measured less by how fast an institution grows and more by the strength of its governance, the durability of its model and the trust it earns from customers and stakeholders.

At Midland Microfin, we welcomed this shift with confidence because it rewards the way we have always chosen to work: responsible finance, prudent governance and value built to last. Rather than chasing growth for its own sake, we kept our attention on the fundamentals, strengthening the institution, preserving our customers' confidence, and building a company that can create value through every economic cycle.

Building an Institution that Endures

The financial services landscape is evolving rapidly. Customer expectations are changing, technology is redefining financial access, regulatory standards keep rising and financial institutions matter more than ever to inclusive economic development.

In such an environment, lasting success depends less on responding to change but on building the institutional strength to lead through it.

Throughout the year, we continued to reinforce the strategic foundations for Midland's next phase of growth. Every decision was guided by a long-term view: strengthening governance, enhancing organisational agility, broadening our institutional capabilities, and preparing the organisation to responsibly serve the evolving financial needs of a wider customer base.

Embedding Sustainability into the Way We Create Value

The expectations from financial institutions today extend well beyond financial performance. Stakeholders increasingly expect businesses to create long-term value while operating responsibly, ethically and transparently.

At Midland, Environmental, Social and Governance principles are not a separate set of initiatives. They are integral to the way we govern our business and create sustainable value.

Our social commitment is reflected in expanding access to formal finance, empowering women entrepreneurs, strengthening rural livelihoods, and supporting underserved communities in joining the formal economy. Equally important is our commitment to maintaining transparency, protecting customer interests and conducting business with the highest standards of ethics and integrity.

Strong governance remains the foundation of our organisation. Robust oversight, accountability, prudent risk management and a culture of compliance continue to strengthen stakeholder confidence while keeping our growth responsible and sustainable. Our ongoing investment in our people, culture and community initiatives reflects our belief that enduring success must create value for society alongside financial returns.

These principles will continue to shape our decisions as we build an institution that creates real, lasting impact for customers, employees, lenders, investors and the communities we serve.

Looking Ahead with Confidence

India's long-term growth presents real opportunities for institutions committed to responsible and inclusive finance. The formalisation of the economy, rising digital adoption, supportive policy initiatives and rising entrepreneurial aspirations are opening the way to expand access to financial services responsibly.

As we look ahead, our priorities remain clear. We will continue strengthening the institution through sound governance, responsible growth, prudent risk management, and an unwavering commitment to the trust our stakeholders have placed in us. And we will keep building a Company that remains future-ready, relevant and responsible in an evolving financial landscape.

On behalf of the Board of Directors, I extend my sincere gratitude to our customers for their continued confidence, our employees for their dedication, our lending partners and business associates for their enduring support, our regulators for their guidance and our shareholders for their continued faith in Midland's long-term vision.

Together, we will continue building an institution that expands financial access and creates enduring value through responsibility, integrity and inclusive growth.

Warm Regards,

Parveen Kumar Gupta
Chairman

MD's Message

NAVIGATING CHANGE. CREATING SUSTAINABLE GROWTH.



The year demonstrated that growth and prudence are not competing priorities. When supported by sound governance and effective execution, they reinforce one another.

Dear Stakeholders,

Every industry encounters moments that redefine its future. For India's microfinance sector, FY 2025-26 was one such year.

As the industry shifted its focus from rapid expansion to sustainable growth, Midland Microfin concentrated on strengthening the fundamentals of the business. We enhanced our lending framework, sharpened risk assessment, maintained a measured approach to expansion and continued to prioritise portfolio quality, customer protection and long-term value creation. For Midland Microfin, these developments were neither unexpected nor discouraging.

They reaffirmed our long-held belief that the most sustainable institutions are not built on the fastest growth. They are built on prudent decisions, taken again and again, that protect customers, strengthen portfolios and create lasting value for every stakeholder.

Delivering Performance through Discipline

During the year, many institutions across the sector prioritised portfolio consolidation and moderated disbursements as they responded to the changing operating environment. Our approach was different.

Rather than stepping back from the market, we remained focused on supporting creditworthy borrowers, selectively expanding into high-potential geographies, and strengthening portfolio quality through consistent execution. This balanced approach let us grow and strengthen the franchise at the same time.

As a result, our AUM grew **22.2%** to **INR 3,207.85 Cr.**, well ahead of the broader NBFC-MFI industry. Our as on cumulative disbursements reached **INR 15,318.25 Cr.** supporting a borrower base that crossed **10.81 lakh** customers. That growth carried through to the bottom line, with revenue of **INR 647.49 Cr.** and PAT of **INR 34.76 Cr.**

The quality of our growth also remained strong. X-Bucket collection efficiency stood at **99.9%**, while Gross NPA and Net NPA remained well contained at **1.99%** and **0.64%**, respectively. These outcomes reflect the strength of our underwriting framework, robust portfolio management and consistent focus on asset quality.

Strengthening the Fundamentals

The changing industry landscape required institutions to reassess how they originate, monitor and manage credit.

During FY 2025-26, we strengthened our lending framework through Guardrails 2.0 and Sankalp 2.0 while aligning our credit practices with the revised RBI Microfinance Directions. We adopted the Fixed Obligations to Income Ratio (FOIR) framework, sharpened bureau-led customer assessment, and held a strict line on borrower indebtedness, including a deliberate decision never to become the fourth lender for any customer.

These measures reflected a commitment to protect customers and preserve the long-term quality of our portfolio.

As the sector evolves, institutions that uphold responsible credit practices will be better positioned to create sustainable value for customers, lenders and shareholders alike.

Expanding with Purpose

Growth remains integral to Midland's long-term vision, but our expansion has always been guided by quality, not scale.

During the year, we expanded into **Assam, Maharashtra, Chhattisgarh and Andhra Pradesh** strengthening our presence across **16 States, 2 Union Territories** and **285 districts** through a network of **636 branches,** serving more than **1.13 Lakh** villages as on 27th July 2026.

Beyond extending our geographical reach, this expansion strengthened portfolio diversification, reduced concentration risk and opened new customer segments across emerging markets. Each new location is an opportunity to deepen financial inclusion while building a more balanced and resilient business.

Preparing Midland for the Next Phase of Growth

As customer aspirations evolve, financial institutions must evolve alongside them.

While Joint Liability Group lending continues to anchor our business, FY 2025-26 marked another step in broadening our lending franchise. We strengthened our Individual Lending portfolio, introduced the Home Improvement Loan pilot, and launched new social impact lending products to meet emerging customer needs.

We also established the policy, governance and operational framework for our secured lending business, including preparations for Loan Against Property (LAP). This reflects our aim of building a more diversified portfolio, deepening customer relationships and creating multiple avenues for sustainable growth.

Diversification is more than adding products. It is about supporting customers throughout their financial journey while strengthening the resilience of our own business model.

Strengthening Institutional Resilience

Long-term growth is supported by strong institutions, prudent capital management and sound governance.

During the year, we widened our funding profile across banks, financial institutions, Non-Convertible Debentures, External Commercial Borrowings and other funding channels. This balanced liability mix has strengthened our financial flexibility, improved liquidity and given us greater capacity to fund future growth.

Alongside financial discipline, we continued to strengthen governance standards, enterprise risk management, and organisational preparedness to support Midland's next phase. These investments are building a more adaptable institution with greater transparency, accountability and stakeholder confidence.

Looking Ahead

India's financial inclusion journey remains one of the country's most significant long-term opportunities. The expanding formalisation of the economy, rising digital adoption, favourable demographics and supportive policy are strengthening the outlook for responsible financial institutions.

As we move forward, our priorities remain clear. We will keep strengthening our core microfinance business while accelerating portfolio diversification, expanding secured lending, deepening our presence across carefully selected markets and maintaining a clear focus on portfolio quality, profitability and governance.

The past year reaffirmed an important lesson: institutions guided by sound judgement, adaptability and long-term thinking are better equipped to navigate changing environments and create enduring value.

I sincerely thank our customers for their continued trust, our employees for their passion and dedication, our lending partners for their confidence, our Board of Directors for their guidance and our shareholders for their continued support.

With a clear strategy, focused execution, and the trust of our stakeholders, I am confident that Midland is well-placed to build on the momentum of FY 2025-26 and create lasting value in the years ahead.

Best Regards,

Amardeep Singh Samra
Managing Director

President, CFO & COO's Message

BUILDING CAPABILITY. DELIVERING EXCELLENCE.



Our objective extends beyond supporting business growth. We are building an organisation that delivers the same customer experience, operational excellence and governance standards irrespective of scale.

Dear Stakeholders,

Business performance is the outcome of consistent execution. Strategies may define direction, but ambition translates into results only through operational excellence, financial prudence, technology, and people.

FY 2025-26 demanded agility, responsiveness and adaptability across every function of our Company. As the operating environment shifted, we looked past the pressures of the present to the capabilities Midland Microfin will need for its future. We strengthened our operating framework, built organisational capability and continued investing in technology, governance and talent, ensuring that Midland Microfin remains well positioned to support its next phase of growth.

Strengthening Operations for Sustainable Scale

As Midland expanded its presence and customer base, maintaining consistency across a growing network became increasingly important. During the year, we further strengthened our operating model by simplifying processes, increasing standardisation and sharpening execution across our branch network of **636 branches** as on date. These initiatives helped improve operational productivity, while supporting a **40%** reduction in turnaround time, **25%** improvement in branch productivity, and **95+%** adherence to operational service standards.

Our operating framework is now supported by **16 operational dashboards, 100% process compliance, 100%** audit closure rate, and structured performance reviews across business functions, enabling faster decision-making and stronger execution. Enhanced process controls and clearly defined accountability have improved responsiveness while maintaining consistency across all locations.

Accelerating Digital Transformation

Technology is reshaping the way financial institutions operate, make decisions and engage with customers. During FY 2025-26, we pushed our digital transformation further, embedding technology more deeply into our lending, collections, and operational processes.

Upgrades to our MidFin platform strengthened loan origination, monitoring and portfolio management. Adding Account Aggregator and Bank Statement Analyzer lifted underwriting quality by grounding credit decisions in real data, while UPI AutoPay, E-NACH and expanded digital payment solutions simplified repayment for customers and improved collections.

Digital adoption gained momentum through the year, with nearly 27% of collections now coming through digital channels such as UPI, BBPS, E-Nach and MidFin Customer Service App. We also launched the MidFin Customer Service App, now available on the Google Play Store, onboarding more than 25% customers and providing them with convenient access to loan information, digital servicing and payment facilities.

Beyond customer-facing tools, we strengthened our enterprise technology ecosystem with Mobile Device Management (MDM), Audit Management Systems, Integrated Monitoring Systems (IMS), Core Financial System automation and enhanced cybersecurity measures, including cyber insurance. These investments are improving operational visibility, tightening governance and building a platform that can scale with the business.

Strengthening Customer Experience

Customer relationships are built through every interaction, not only through financial products.

During the year, we strengthened how we engage with customers, introducing a technology-enabled grievance system that brings greater transparency and faster resolution of customer concerns. We also introduced structured tracking of Customer Satisfaction (CSAT) and Net Promoter Score (NPS), which gives us a clear read on where to improve service.

We further simplified customer journeys through Aadhaar-based e-sign disbursement, process redesign, and stronger digital servicing, thereby cutting turnaround times and making our services more accessible and convenient.

Embedding Risk into Everyday Decisions

As financial institutions evolve, risk management must evolve alongside them. At Midland, risk management is embedded in everyday business decisions rather than functioning as a standalone control process.

During FY 2025-26, we strengthened our Enterprise Risk Management framework through closer portfolio surveillance, bureau-led monitoring, management information systems and structured risk reporting. Our new Early Warning System flags emerging portfolio, customer and geographic risks, allowing proactive corrective actions.

Alongside this, we strengthened internal controls, compliance frameworks and audit processes, keeping our growth aligned to Midland's governance standards and risk appetite.

Financial Discipline Supporting Long-term Growth

Strong financial management provides the foundation for sustainable business expansion.

During the year, we strengthened Midland's liability profile through a diversified mix of borrowings from banks, financial institutions, Non-Convertible Debentures, External Commercial Borrowings and other funding sources. This balanced funding mix has improved our liquidity and flexibility and reduced concentration risk.

We also remained focused on prudent capital allocation, cost control and efficient use of resources, so that every investment serves long-term value creation. This approach lets us keep investing with confidence in technology, people and organisational capabilities while maintaining a strong and resilient balance sheet.

Building an Organisation that Learns and Grows

The strength of Midland lies in its people.

As we grow, we remain committed to developing talent, strengthening leadership capability and building a culture of continuous learning.

During the year, we expanded structured learning programmes, deepened leadership development, strengthened succession planning and continued campus hiring to build a future-ready workforce. Programmes such as Aarambh, mentoring and functional capability-building have helped employees transition into new roles with greater confidence, strengthened leadership readiness across the organisation and created opportunities for continuous professional growth. As Midland marks 15 years of its journey, our greatest strength continues to be the people who have grown alongside the organisation and carry our values into every customer interaction.

Recognition as a **Great Place to Work® for the 7th consecutive year** and our inclusion among India's Top 75 Best Workplaces among BFSI reflect the culture our people have built and continue to strengthen every day.

Building Capability for the Future

The financial services landscape will continue to evolve, shaped by technology, regulation and changing customer expectations. Preparing for it requires steady investment in organisational capability. Going forward, we will keep strengthening operations, accelerating digital transformation, sharpening data-driven decision-making, deepening customer engagement, and reinforcing governance at every level. We also see real scope to use automation, analytics, and emerging AI capabilities to improve productivity, strengthen risk oversight, and enhance customer outcomes.

As we enter our next phase of growth, our responsibility is to ensure that every process, every system and every capability strengthens our ability to serve customers responsibly, efficiently and sustainably.

Best Regards,
Amitesh Kumar
President, CFO & COO

Our Offerings

SOLUTIONS THAT GROW WITH OUR CUSTOMERS

As customer aspirations evolve, so do our offerings. Our product portfolio is built to accompany customers at every stage of their financial journey, from livelihood creation and enterprise expansion to household improvement and social well-being, all while upholding responsible lending and long-term financial inclusion.



A Portfolio Built around Customer Needs

Product	Purpose	Target Customer	Loan Amount/Tenure
Business Loan (JLG)	Income generation and micro-enterprise development	Women entrepreneurs through Joint Liability Groups	Up to **INR 80,000** Up to **36 months**
Individual Enterprise Loan (IEL)	Business expansion and working capital	Existing and new creditworthy entrepreneurs	Up to **INR 150,000** Up to **24 months**
Home Improvement Loan (HIL) (Pilot)	Home repair, expansion and sanitation improvements	Existing borrowers and low-to-middle income households	Up to **INR 300,000**
Education Loan	Education and skill development	Rural and semi-urban households	Up to **INR 20,000**
WASH Loan	Water, sanitation and hygiene	Rural households	Up to **INR 30,000**
Dairy Loan	Livestock purchase and allied activities	Dairy entrepreneurs	Up to **INR 150,000**
PM SVANidhi	Working capital for street vendors	Urban micro-entrepreneurs	As per scheme guidelines
Ajeevika Loan	Livelihood generation	SC/ST beneficiaries	As per scheme guidelines
Social Impact Loans	Clean-energy and essential household products	Rural households	Up to **INR 10,000**
Vaibhav Loan	Business expansion, working capital, asset purchase, business renovation & other productive purposes	Self-employed / micro & small business owners and salaried class.	Up to **INR 15 Lakh** Up to **96 months**

Portfolio Highlights

- JLG remained our flagship product, with enhanced loan limits of up to INR 80,000 for women entrepreneurs
- IEL continued to expand, enabling eligible customers to graduate from group lending to higher-ticket individual credit as their businesses grow
- HIL was piloted during the year, extending our portfolio into purpose-based household finance
- Social Impact Loans expanded access to clean-energy and essential household products, further strengthening financial inclusion across rural communities
- Secured Lending readiness advanced through dedicated policies, operating processes, technology capabilities and organisational infrastructure



Portfolio Evolution

Supporting Customer Growth Beyond Group Lending

As customers progress through multiple lending cycles, their financing requirements evolve beyond the traditional JLG model. Our IEL enables creditworthy existing and new customers to access higher-ticket finance for business expansion, working capital and other productive purposes.

The product has found encouraging acceptance among customers graduating from group lending, helping strengthen customer retention, deepen long-term relationships and diversify our lending portfolio while supporting enterprise growth.

Home Improvement Loan (Pilot)

Introduced as a pilot during FY 2025-26 in Darbhanga, Bihar, HIL addresses the growing need for formal financing for home renovation, sanitation improvements, repairs and expansion of living spaces.

The product is designed for existing customers and low-to-middle-income households with demonstrated repayment capacity. Early response has been encouraging. Borrowers value having a formal route to finance a need that was, until now, met largely through informal lenders. Learnings from the pilot are being incorporated into future scale-up plans and product refinement.

Secured Lending

During FY 2025-26, we laid the policy, operational and technology foundation for launching a dedicated Secured Lending vertical. Enabled by the revised regulatory framework permitting up to 40% of the portfolio in non-microfinance lending, this initiative represents an important step in our long-term diversification strategy.

The proposed business will primarily serve property-owning individuals, self-employed borrowers and existing customers seeking larger-ticket financing for business expansion or asset creation. Collateral-backed lending will balance secured and unsecured assets on our books, strengthening portfolio resilience and allowing us to stay with customers further into their financial lives.
During the year, we completed product design, credit policies, operating procedures, technology readiness and organisational preparation for the initial rollout in Punjab.

Building a Resilient Lending Franchise

Our product strategy has a single aim: to build a financial institution diversified enough to serve customers at every stage of their financial journey. By combining JLG lending with IEL, HIL, Social Impact Loans and the upcoming Secured Lending business, we are creating a balanced portfolio that supports customer graduation, reduces concentration risk and strengthens long-term portfolio resilience.

Joint Liability Group Model (JLG)

EMPOWERING COMMUNITIES THROUGH SHARED RESPONSIBILITY

Our JLG model is the foundation of our lending philosophy. Built on trust, shared responsibility and disciplined credit practices, it allows us to extend responsible, collateral-free finance while helping women entrepreneurs build sustainable livelihoods and stronger communities.

A Model Built on Trust

The JLG model is a community-based lending approach that brings together small groups of women from similar socio-economic backgrounds to access collateral-free credit. By encouraging collective accountability, the model promotes responsible borrowing, timely repayments and financial discipline, while expanding access to formal finance for underserved communities. Supported by robust credit assessment, digital processes and continuous customer engagement, our JLG model evolves alongside the changing needs of our customers.

How Our Model Creates Value

Expanding Financial Inclusion

We extend accessible, collateral-free finance to women entrepreneurs, enabling them to establish micro-enterprises, generate sustainable incomes and participate more actively in the local economy.

Promoting Responsible Borrowing

Shared accountability within every group encourages prudent credit behaviour, strengthens repayment discipline and supports long-term financial resilience for both customers and communities.

Creating Sustainable Livelihoods

Our financing supports productive economic activities that strengthen household incomes, create employment opportunities and improve quality of life.

Building Stronger Communities

By fostering trust, mutual support and financial awareness, our JLG model strengthens community relationships and builds customer partnerships that endure.

Supporting Customer Progression

We view every customer relationship as a long-term partnership. As borrowers complete multiple lending cycles and their financial aspirations grow, we support their progression through products that address evolving business and household needs. In this way, customers move beyond their first loan to build stronger, more resilient enterprises over time.

Technology Strengthening Human Connections

While personal relationships remain at the core of our JLG model, technology strengthens every stage of the customer journey. Digital onboarding, Aadhaar-based authentication, e-signatures and technology-enabled servicing improve efficiency, transparency and convenience, allowing our field teams to spend more time supporting customers and less time on manual processes.

Empowering Women beyond Credit

For us, a loan is a means of building confidence, encouraging entrepreneurship and opening pathways to greater financial independence. Through our JLG model, we support women as they strengthen their families, expand their businesses and contribute meaningfully to the economic development of their communities.

JLG Model at a Glance

172,050
Active JLG Groups

1,080,733
Active Borrowers as on date

INR 45,500
Average JLG Loan Size

99.9%
X-Bucket Collection Efficiency

643,273
JLG Loans disbursed During the fiscal year

41%
Repeat Borrower Ratio



Stories of Impact

WHERE PROGRESS IS MEASURED IN LIVES.

Every loan we extend carries the potential to change a life. Beyond financial inclusion, our work supports entrepreneurs, strengthens households and builds resilient communities. These stories reflect how responsible finance is transforming aspirations into sustainable progress across the communities we serve.

Across India, Every Journey Tells a Story

Simarani Behera
Angul, Odisha



Strengthening a Business, Supporting a Family

For Simarani Behera, growing her business meant creating greater stability for her family. With limited financial resources restricting her ability to expand, she turned to Midland for financial support. The additional capital helped her grow her operations and improve profitability, giving the family a more dependable source of income. Today, Simarani is able to contribute more towards her household's financial needs while continuing to build her business.

> Midland's support helped me to grow my business and contribute more towards my family well-being.

Impact Created

- Income Generation
- Women Entrepreneurship
- Household Financial Resilience

Rajwanti, Rajnagar
Chhatarpur, Madhya Pradesh



A Business that Became a Dependable Livelihood

Rajwanti availed an INR 50,000 loan from Midland on 14th July 2020 to expand her small business. The additional working capital helped her scale operations and improve earnings. Over time, the business has developed into a steady source of income, enabling her to meet household needs and contribute more consistently to her family's financial well-being.

> Midland's support helped me take my business forward and create a steadier income for my family.

Shobha Devi
Bihar



From Limited Stock to a Wider Jewellery Collection

Shobha Devi runs a jewellery shop selling gold and silver jewellery in Bihar. While she had an established business, limited stock restricted the range she could offer her customers and, in turn, her ability to grow. With an INR 50,000 loan from Midland Microfin Ltd., Shobha invested in new gold and silver jewellery for her shop, expanding her inventory and giving customers a wider selection to choose from. The additional stock has helped her serve customers better and increase her income. She now plans to continue building her inventory and growing the business to contribute more towards her family's needs.

> Earlier, I had limited stock in my shop. With the loan, I was able to purchase more gold and silver jewellery and offer my customers a wider choice. I now want to continue expanding my business.

Jamini Mahato
Jharkhand



From Two Sewing Machines to Four

When Jamini Mahato availed an INR 50,000 loan from Midland Microfin Ltd. she had two sewing machines. She knew that taking on more tailoring work would require greater capacity, so she used the additional capital to expand her setup. Today, Jamini works with four sewing machines and two staff members, allowing her to take on more orders and grow her earnings. For Jamini, the loan did more than add two machines to her business; it gave her the capacity to take on more work and turn a small tailoring setup into a growing enterprise.

> I started with two sewing machines. Today, I have four machines and two people working with me, and I am able to take on more work.

Sharda Devi
Pipraich, Gorakhpur, Uttar Pradesh



Expanding Her Business, One Customer at a Time

Sharda Devi has been associated with Midland since 2023. An INR 70,000 loan helped her increase the inventory in her clothing business, allowing her to offer more to customers and improve sales. Today, the business generates approximately INR 4,000 a day, helping Sharda manage household expenses and contribute towards her children's education. The growth of the business has given her a stronger livelihood and greater confidence in what she can build from it.

> Growing my clothing business has helped me earn better and contribute towards my children's education.

Malin Devi
Banka, Jharkhand



Growing a Business Rooted in Tradition

Malin Devi's livelihood is built around a traditional craft. Associated with Midland since 2023, she availed an INR 40,000 loan to invest in her pottery business. She used the financial support to purchase raw materials, increase production and expand the range of earthen products she makes. Today, Malin earns approximately INR 3,000–4,000 a day. The additional income helps support her household while allowing her to continue building a livelihood around the craft she practises.

> I have been able to make more products, earn more and continue growing my pottery work.

Priyanka Maharana
Raghunathpur Heritage Village, Odisha



From Learning the Craft to Sharing It with Others

Priyanka Maharana works with traditional art forms, including Pattachitra and paper mask making, creating pieces largely against customer orders. With limited working capital, taking on more orders while continuing to invest in her craft was a challenge. An INR 50,000 loan from Midland Microfin Ltd. gave Priyanka additional financial support to continue her craft activities and take on more work. Along the way, she also participated in training programmes that helped her develop new skills. What makes her journey particularly meaningful is how that learning came full circle: Priyanka later had the opportunity to train others and share the skills she had acquired. Today, she continues to build her livelihood around a traditional craft while passing her knowledge on to others.

> The support helped me continue my craft and take on more work. I also had the opportunity to learn new skills through training and later share what I had learned with others.

Neelam Kumari
Uttar Pradesh



From an Idea to a Restaurant of Her Own

In 2025, Neelam Kumari availed an INR 40,000 loan from Midland Microfin Ltd. to take an important step: setting up a restaurant of her own. The financial support helped her establish the business and create a regular source of income for her household. Today, earnings from the restaurant help Neelam meet her family's expenses and contribute towards her children's education. What started with an investment in her own enterprise has grown into an important livelihood for her family.

> With the loan, I was able to start my own restaurant. Today, the income helps me support my family and my children's education.

Purandei
Dholpur, Rajasthan



Turning Poultry and Dairy into a Stronger Livelihood

Purandei was already earning through small-scale poultry and dairy activities, but limited resources began holding back her growth. With a loan of INR 70,000 from Midland, she was able to invest in the resources needed to strengthen her livelihood. Today, she earns approximately INR 1,500–2,000 a day, helping her manage household expenses and support her children's education. What began as two small livelihood activities has become a stronger source of income for her family.

> I can now earn better, manage our household expenses and support my children's education.



Strategy in Action

EXECUTING TODAY. BUILDING FOR TOMORROW.

Our strategy is centred on building a stronger, more resilient institution. During FY 2025-26, we strengthened our product portfolio, accelerated digital execution, invested in people, enhanced governance and expanded responsibly, laying a firm foundation for long-term, sustainable growth.

1 Creating Greater Value for Our Customers

As customer aspirations evolved, we widened our lending portfolio to address a broader range of financial needs. During the year, we strengthened the Individual Enterprise Loan proposition with higher ticket sizes, piloted the Home Improvement Loan in Bihar and introduced Social Impact Loans. Together, these give customers a path to graduate to larger credit, deepen our relationships with them and diversify the portfolio, all within the discipline of responsible lending.

Key Outcomes

- IEL expanded with ticket sizes up to INR 150,000
- Home Improvement Loan and Vaibhav Loan were introduced
- Social Impact Loans introduced
- Broader customer lifecycle engagement

2 Accelerating Digital Execution

Technology remained central to improving customer experience, strengthening credit assessment and building operational scale. During the year, we accelerated digitisation across lending, collections, compliance and enterprise operations through a series of technology initiatives.

Key Initiatives

- Implemented Bank Statement Analyzer and Account Aggregator to strengthen credit underwriting
- Enhanced MidFin Customer Service App capabilities to improve customer servicing and operational efficiency
- Enabled UPI AutoPay and E-NACH to simplify digital repayments
- Integrated Signzy e-sign for faster and cost-efficient digital onboarding
- Enabled infrastructure for nearly 100 new branches
- Implemented Mobile Device Management (MDM) to strengthen enterprise security and device governance
- Introduced an Audit Management Application to enhance internal governance
- Implemented CFSS for regulatory reporting automation
- Strengthened cyber resilience through Cyber Insurance coverage

Key Outcomes

- Received nearly 27% of collections through digital payment channels such as UPI, BBPS, E-Nach and MidFin Customer Service App as on date
- Onboarded approximately 25% borrowers on the Midland Customer App
- Undertook faster underwriting and credit decisions
- Improved regulatory compliance and operational efficiency
- Enhanced cybersecurity and enterprise governance



3 Strengthening Customer Experience

Customer trust is built through consistent service, timely resolution and transparent communication. During FY 2025-26, we strengthened our customer engagement framework by improving grievance management, expanding digital service capabilities and introducing technology-enabled support that makes us more responsive at every stage of the customer journey.

Key Initiatives

- Implemented a digital ticketing system for structured complaint registration and tracking
- Enabled SMS acknowledgements with unique ticket IDs, providing customers with real-time confirmation and greater transparency
- Strengthened complaint tracking and escalation workflows to ensure timely resolution and accountability
- Monitored Customer Satisfaction (CSAT) and Net Promoter Score (NPS) to better understand customer experience and identify improvement opportunities
- Enhanced complaint analytics to identify recurring issues, strengthen service quality and support continuous process improvement
- Expanded digital service channels to improve customer accessibility and convenience

Key Outcomes

- Faster and more transparent grievance resolution
- Improved customer engagement and service responsiveness
- Better visibility into customer feedback and service trends
- Stronger accountability through structured escalation



4 Investing in Our People

Building organisational capability remained central to our long-term strategy. During the year, we strengthened learning and development through structured induction programmes, leadership development initiatives, role-based learning, mentoring by subject matter experts (SMEs) and continuous capability-building. We broadened these opportunities through classroom, virtual and field-based programmes, partnerships with external institutions, industry forums and MBA assistance initiatives, helping employees build technical expertise and leadership capability.

Key Outcomes

- Leadership development across levels
- SME-led mentoring and structured onboarding
- Classroom, virtual and field-based learning
- Stronger capability through external learning partnerships

5 Strengthening Our Culture

Our people-first culture underpins employee engagement, collaboration and organisational excellence. During the year, initiatives including HR Connect, HR Chronicle, Aarambh, wellbeing workshops, meditation sessions, leadership interactions and structured employee communication strengthened workplace engagement and a sense of belonging.
We strengthened our talent acquisition efforts through campus hiring from leading academic institutions, while also organising Mega Rozgaar Melas and participating in Employment Exchanges to broaden our talent outreach. These initiatives helped strengthen our talent pipeline and support our evolving workforce requirements.

Key Outcomes

- Certified as a Great Place to Work® for the 7th consecutive year
- Recognised among India's Top 75 Best Workplaces in BFSI
- Strengthened employee engagement and leadership connect
- Expanded campus and strategic talent acquisition

6 Reinforcing Risk Discipline

Responsible lending remained the cornerstone of our growth strategy. During the year, we strengthened enterprise risk management through a structured Early Warning System (EWS), sharper bureau-led underwriting, continuous portfolio surveillance and proactive monitoring of borrower indebtedness, concentration risks and emerging portfolio trends. Together, these help us identify risks earlier, act on them sooner and hold portfolio quality steady amid a changing industry environment.

Key Outcomes

- Structured EWS
- Sharper bureau-based underwriting
- Stronger concentration and portfolio monitoring
- Improved enterprise risk oversight



7 Building Tomorrow's Lending Franchise

Preparing Midland for the next phase of growth remained a strategic priority. During FY 2025-26, we laid the foundation for a dedicated secured lending business by establishing product policies, operating procedures, technology readiness and organisational capabilities.
Enabled by the revised regulatory framework permitting greater diversification beyond traditional microfinance, this initiative will support customer graduation, strengthen portfolio resilience and create a balanced mix of secured and unsecured lending over time.

Key Outcomes

- Secured lending policy framework established
- Operational and technology readiness completed
- Dedicated business vertical initiated
- Platform for long-term portfolio diversification strengthened

8 Expanding with Discipline

Our expansion strategy remained measured and data-driven. Rather than chase scale, we prioritised disciplined market selection, portfolio quality and sustainable growth. During the year, we entered Assam, Maharashtra, Chhattisgarh and Andhra Pradesh, strengthening geographic diversification while maintaining underwriting discipline.

Key Outcomes

- 22% Growth in Assets Under Management
- Operations commenced across 4 new states
- Broader geographic and product diversification
- Reduced portfolio concentration
- 96 new branches have been added

Preparing for the Next Phase of Growth

During FY 2025-26, we strengthened the institutional capabilities that will support our long-term growth ambitions. Alongside expanding our lending portfolio, we reinforced governance frameworks, enterprise risk management, technology platforms, compliance processes and organisational capabilities. These initiatives strengthen the resilience of our business today, and prepare our Company for what lies ahead, including our long-term IPO aspirations.



Stakeholder Engagement

BUILDING TRUST THROUGH MEANINGFUL ENGAGEMENT

Our stakeholders shape our decisions and strengthen our purpose. By maintaining transparent, continuous, meaningful engagement, we understand evolving expectations, build long-term relationships and create sustainable value for customers, employees, investors, regulators, partners and communities we serve.

Stakeholder Group	What Matters Most	How We Engage	Our Focus Areas	Primary Responsibility
Customers	• Accessible and responsible credit • Transparent lending practices • Quick grievance resolution • Digital convenience • Financial literacy	• Midland customer app • Branch visits and centre meetings • Customer care centre • Field officers • SMS/WhatsApp alerts • Grievance redressal system	• Responsible lending • Customer protection • Digital servicing and collections • Financial literacy • Product innovation	Business, Credit and Customer Service teams
Employees	• Career development • Safe and inclusive workplace • Learning opportunities • Recognition and well-being	• HR Connect • Aarambh onboarding programme • LMS (EduRigo) • Leadership interactions • Town Halls • HR Chronicle • Employee engagement programmes	• Capability building • Leadership development • Performance culture • Diversity and inclusion • Employee well-being	HR, Learning and Development
Regulators and Industry Bodies	• Regulatory compliance • Responsible finance • Governance • Financial inclusion	• Regulatory submissions • RBI inspections • Industry forums • Sa-Dhan and MFIN engagements • Compliance reviews	• Compliance excellence • Governance • Responsible lending • Risk management	Compliance, Legal, Risk and Board Committees
Shareholders and Investors	• Sustainable growth • Transparent disclosures • Capital discipline • Governance	• Annual report • Investor interactions • Financial disclosures • Board communications	• Long-term value creation • Capital allocation • Strategic execution • Financial performance	Board, CFO and Company Secretary
Lenders and Financial Partners	• Portfolio quality • Financial discipline • Timely reporting • Governance	• Periodic reviews • Independent audits • Financial reporting • Due diligence meetings	• Funding diversification • Liquidity management • Refinancing support • Investor confidence	Finance and Treasury
Business Partners and Vendors	• Fair procurement • Timely payments • Ethical business conduct	• Vendor onboarding • Procurement processes • Performance reviews	• Responsible sourcing • Service quality • Compliance • Long-term partnerships	Procurement and Finance
Communities	• Financial inclusion • Livelihood creation • Women's empowerment • Education and awareness	• Financial literacy programmes • CSR initiatives • Community outreach • NGO partnerships • Field engagement	• Women's entrepreneurship • Financial literacy • Community development • Sustainable livelihoods	CSR Committee and Midland Foundation

Our Risk Philosophy

THE FOUNDATIONS OF A RESILIENT INSTITUTION

Risk Management is embedded in the way we make decisions. We treat risk as an integral part of responsible growth rather than a constraint upon it. Our enterprise-wide framework enables us to identify emerging risks early, strengthen governance and support informed decision-making across every level of the organisation.

Risk Management in Action

Strengthened Risk Architecture

1

During the year, we deepened our enterprise risk framework by sharpening governance, monitoring and analytical capabilities across the organisation. Continuous portfolio surveillance, bureau-led credit assessment and structured risk reporting enable us to identify emerging risks early and to assess and respond to them within our stated risk appetite.

Early Warning and Portfolio Intelligence

2

A structured EWS was implemented to monitor customer, portfolio, operational and geographic risk indicators. Supported by regular bureau monitoring, concentration analysis and portfolio surveillance, the framework enables proactive intervention before emerging risks translate into portfolio stress.

Responsible Underwriting

3

Our credit philosophy remains centred on disciplined lending. Through Guardrails 2.0, Sankalp 2.0, FOIR-based credit assessment, borrower indebtedness evaluation and bureau-led underwriting, we strengthen customer selection while promoting responsible borrowing and maintaining portfolio quality.

Technology-enabled Risk Intelligence

4

Technology strengthens the quality and speed of risk assessment. Bank Statement Analyzer, Account Aggregator, digital underwriting tools and automated monitoring sharpen credit evaluation, improve underwriting consistency and give us a clearer view of the portfolio when decisions must be made.

Enterprise Risk Governance

5

Risk oversight is embedded across the organisation through clearly defined governance structures involving the Board, senior management and independent risk functions. Regular reviews of credit, operational, liquidity, compliance, technology and emerging risks keep business decisions aligned with our risk appetite and long-term strategic objectives.

Building a Preventive Risk Culture

6

Risk management extends beyond policies and controls. Through continuous training, cross-functional collaboration and structured review forums, we are fostering a preventive risk culture in which risks are spotted early, escalated promptly and acted on as a matter of routine.



Principal Risks and Our Response

Principal Risk	Key Risks	Our Mitigation Approach
Credit Risk	Borrower Default Risk	• Bureau-led credit assessment and **FOIR-based underwriting** • **EWS** for proactive risk identification • Continuous portfolio surveillance, collection monitoring and scenario-based reviews
	Portfolio Concentration Risk	• Calibrated geographic expansion based on market assessment • Portfolio diversification through IEL, HIL and upcoming Secured Lending • Ongoing concentration monitoring and periodic portfolio reviews
	Over-indebtedness Risk	• Bureau checks and borrower indebtedness assessment before loan approval • Guardrails 2.0, Sankalp 2.0 and responsible lending framework • FOIR evaluation and continuous monitoring of borrower exposure
Market and Liquidity Risk	Interest Rate Risk	• ALCO oversight and Asset-Liability Management (ALM) • Scenario analysis and periodic profitability assessments • Regular review of interest rate sensitivity
	Liquidity and Funding Risk	• Adequate liquidity buffers and contingency funding plans • Diversified funding profile across **banks, ECB, NCDs and DA/PTC transactions** • Continuous cash flow forecasting and liquidity monitoring
	Asset-Liability Mismatch	• Periodic maturity profile reviews • ALM monitoring through the Asset-Liability Committee • Dynamic liquidity planning and stress testing
	Process Risk	• SOPs and maker-checker controls • Internal audits, branch reviews and technology-enabled monitoring • Automated process controls and periodic compliance reviews
Operational Risk	People Risk	• Structured learning and leadership development programmes • Performance management, succession planning and capability building • Continuous employee engagement and retention initiatives
	Third-party Risk	• Third-Party Risk Management (TPRM) framework • Vendor due diligence, periodic assessments and contractual compliance • Ongoing monitoring of outsourced service providers
Technology and Cyber Risk	Cybersecurity Risk	• Cyber insurance coverage • SIEM-based security monitoring, endpoint protection, DLP and BitLocker controls • Periodic vulnerability assessments and Information Security governance
	Technology Risk	• **Bank Statement Analyzer, Account Aggregator** and secure digital underwriting • Business Continuity and Disaster Recovery (BCP/DR) framework • Ongoing investment in digital infrastructure and technology resilience
Compliance and Governance Risk	Regulatory Compliance Risk	• Continuous monitoring of RBI regulations and regulatory developments • **Compliance Management Tool** and periodic compliance reviews • Independent internal audits and board oversight
	Legal Risk	• Legal due diligence and standardised documentation • Periodic policy reviews and contractual controls • Continuous monitoring of evolving regulatory requirements
Fraud and Reputation Risk	Fraud Risk	• Analytics-driven fraud monitoring and surveillance • Employee awareness programmes and whistle-blower mechanism • Timely investigation, corrective action and strengthened internal controls
	Reputational Risk	• Responsible lending and customer protection framework • Structured grievance redressal and transparent stakeholder communication • Continuous monitoring of customer feedback and service quality
Strategic Risk	Business and Growth Risk	• Disciplined expansion aligned with our risk appetite • Portfolio diversification across products, geographies and customer segments • Scenario-based strategic reviews and enterprise risk oversight



Operational Performance

DELIVERING RESILIENCE IN A YEAR OF INDUSTRY RECALIBRATION

Despite a challenging operating environment for the microfinance sector, we delivered disciplined growth through strong portfolio quality, expanding geographic reach, prudent lending and operational excellence. Our performance reflects the resilience of our business model and our focus on sustainable long-term value creation.



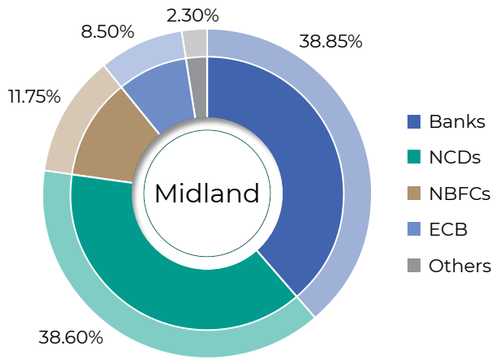
FY 2025-26 Operational Performance Snapshot

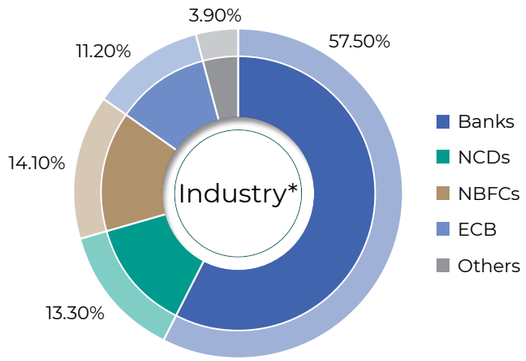
Midland	Industry	Midland	Industry
AUM Growth	AUM Growth	Disbursement Growth	Disbursement Growth
22.21%	(13.3%)	29.13%	(8.61%)

Midland	Industry
Active Borrower Growth	Active Borrower Growth
6.81%	(17.95%)

While the industry focused on portfolio rationalisation and tighter underwriting, we sustained healthy growth through disciplined expansion, prudent risk management and a diversified operating model.

Borrowing Mix (as of 31st March 2026)





Industry data as on 31st March 2026. Source: MFIN 57th Micrometer



ESG Framework

CREATING SUSTAINABLE IMPACT THROUGH RESPONSIBLE FINANCE

We believe responsible finance creates lasting value for customers, communities and society. By integrating environmental stewardship, social inclusion and strong governance into our business, we strengthen resilience, support sustainable livelihoods and build a future-ready microfinance institution.

Our ESG Philosophy

ESG is integral to the way we operate and grow. Our approach focuses on creating inclusive economic opportunities, promoting responsible lending, strengthening governance and reducing our environmental footprint. By aligning business objectives with stakeholder expectations, we generate sustainable value while contributing to long-term social and economic development.

Our ESG Framework

Pillar 1 | Environmental Stewardship

Supporting Climate-resilient Communities

Our environmental approach focuses on expanding access to clean energy solutions while reducing the environmental impact of our operations. Through purpose-led financing and responsible resource management, we continue to support climate-conscious development across the communities we serve.

Key Focus Areas

- Financing clean-energy products through Social Impact Loans
- Solar-powered branches
- Energy-efficient workplace practices
- Digital processes to reduce paper consumption
- Responsible resource management
- Regulatory compliance and ethical lending practices

FY 2025-26 Highlights

Enabled
151
Solar-powered Branches

Reached
386,935
Households through Clean-energy Financing

Expanded Social Impact Loan Offerings

Pillar 2 | Social Impact

Advancing Financial Inclusion and Human Development

People remain at the centre of our purpose. We expand access to responsible finance, strengthen financial literacy, invest in employee development and create opportunities that improve livelihoods across rural and semi-urban India.

Our Priorities

Financial Inclusion
- Expanding responsible access to credit
- Women's entrepreneurship
- Financial literacy initiatives

People
- Leadership development
- Continuous learning
- Employee well-being
- Inclusive workplace

Communities
- Community engagement
- Livelihood creation
- Social impact financing

Reached
1,080,733
No. of Active borrowers as on date

Served
113,069
Villages as on date

Enabled RBI-supported Financial Literacy Programmes

Certified as Great Place to Work® (7th Consecutive Year)

Certified as Great Place to Work among Top 75 companies in BFSI



Pillar 3 | Governance

Building Trust through Responsible Governance

Strong governance underpins every aspect of our business. We strengthen enterprise risk management, regulatory compliance, cybersecurity and ethical business practices to protect stakeholder interests and support sustainable growth.

Governance Priorities

- Responsible Lending and Customer Protection
- Regulatory Compliance and Governance Oversight
- Risk Management
- ESG Governance and Oversight
- Early Warning System
- Third-Party Risk Management (TPRM)
- Cybersecurity and Data Privacy

ESG in Action

Responsible Finance

Ensuring customer-centric, transparent and responsible lending practices while advancing financial inclusion and entrepreneurship.

Climate-conscious Operations

Expanding clean-energy financing while reducing the environmental footprint of our operations

People-first Growth

Investing continually in employees, leadership development and workplace well-being

Strong Governance

Embedding ethics, transparency, risk management and accountability across our Company

Our ESG Roadmap

ESG Reporting and Disclosures

Improve ESG disclosures and strengthen readiness for evolving sustainability reporting requirements, including **BRSR-aligned practices**, where applicable

Responsible Value Chain

Expand ESG considerations across vendor selection, third-party engagement and procurement practices through a structured **Vendor ESG framework**

Environmental and Social Management

Strengthen the Environmental and Social Management System (ESMS) by integrating ESG risk assessment into lending, portfolio monitoring and operational decision-making

ESG Assessment

Build organisational readiness for independent ESG assessments and ratings, supporting greater transparency and stakeholder confidence

Responsible Finance

Integrate ESG considerations into lending policies, product development and credit evaluation to support sustainable and responsible financial inclusion

Looking Ahead

Our ESG journey continues to evolve alongside our business and the expectations of our stakeholders. Going forward, we will focus on strengthening ESG governance, integrating environmental and social risk considerations into business processes, improving disclosure practices and embedding sustainability across our value chain. Together, these priorities reinforce our commitment to responsible finance and support resilient, inclusive growth over the long term.



Environmental Responsibility

DRIVING SUSTAINABLE OPERATIONS THROUGH RESPONSIBLE ACTION

We recognise that environmental responsibility is reflected in the way we operate, serve our customers and manage resources. By expanding clean-energy financing, improving resource efficiency and adopting environmentally responsible operating practices, we continue to strengthen sustainability across our business while supporting resilient communities.

Our Environmental Priorities

Our environmental approach focuses on reducing operational impact while enabling customers to adopt cleaner and more sustainable alternatives. Through responsible financing, digital transformation and efficient branch operations, we integrate environmental considerations into our business model.

Our Focus Areas

Clean-energy Financing

Expanding access to affordable solar and clean-energy products that improve household well-being while reducing dependence on conventional energy sources

Digital and Paper-less Operations

Driving predominantly digital processes through digital onboarding, digital loan processing, mobile-enabled workflows, electronic documentation and automated servicing to reduce paper consumption while improving operational efficiency

Resource-efficient Operations

Strengthening operational sustainability through solar-powered branches, LED lighting, virtual server infrastructure, energy-efficient equipment and workplace energy conservation practices

Climate-aware Business Practices

Integrating environmental considerations into branch expansion, portfolio management and business continuity planning while adopting calibrated lending strategies in climate-sensitive regions

FY 2025-26 Environmental Highlights

151
Solar-powered Branches

24.6%
Solar-powered Branch Coverage

386,935
Households Reached through Clean-energy Financing

62,123 tCO_2e
Emission Reductions Facilitated

100%
Digital Loan Processing

27%
Collections Received through Digital Payment Channels

Resource-efficient Operations in Action

During FY 2025-26, we strengthened environmentally responsible operations through practical initiatives that reduced resource consumption while improving operational efficiency.

Key Initiatives

- Expanded the network of **solar-powered branches** across our operations
- Increased the use of **LED lighting** to improve energy efficiency across offices
- Robust IT infrastructure through **virtual server deployment,** reducing hardware requirements and improving energy use
- Implemented **power-saving settings** across office systems and digital infrastructure to optimise electricity consumption
- Continued building **paper-less branch operations** through digital documentation, mobile-enabled workflows, geotagging and automated processes
- Eliminated single-use plastic water bottles and continued initiatives to reduce paper consumption across offices

Embedding Climate Considerations

Environmental and climate-related risks are integrated into business planning and operational decision-making. Climate vulnerability is assessed when we evaluate new branch locations, and lending activities are closely monitored in climate-sensitive regions. In flood-prone areas, we adopt calibrated disbursement strategies and closer portfolio monitoring to protect customer livelihoods while strengthening portfolio resilience.

Environmental Priorities Ahead

Renewable Energy
Expand the solar-powered branch network

Resource Efficiency
Improve energy efficiency through LED lighting, virtualisation and responsible resource management

Paper-less Operations
Expand digital documentation and workflow automation to minimise paper consumption

Climate Resilience
Strengthen climate risk integration across operations and portfolio management

Sustainable Finance
Expand clean-energy financing and promote environmentally responsible lending practices

People Impact

EMPOWERING OUR PEOPLE TO SHAPE TOMORROW

> Our people are the foundation of our continued growth. By investing in learning, leadership, inclusion and employee well-being, we are building a capable, engaged and future-ready workforce that strengthens execution, improves customer experience and supports our long-term business aspirations.

Building Capabilities for Growth



During the year, we deepened our digital learning ecosystem through **EduRigo**, introducing customised dashboards and gamified learning modules that improved employee engagement and knowledge retention. The platform recorded an **83% active employee engagement rate**, confirming its place at the centre of how our people learn.

Alongside digital learning, we continued investing in leadership development programmes, MBA assistance and experiential learning through participation in industry forums.

Building a Future-ready Workforce



Supporting business expansion requires a strong talent pipeline. During FY 2025-26, our workforce grew by approximately **20%**, reflecting the expansion of our operations across new markets. To strengthen future talent availability, we conducted campus interviews for 50+ students and onboarded the best-fit candidates, strengthening the talent pipeline for Field Operations and Support Functions. Structured recruitment initiatives, including the monthly **Mega Rozgaar Mela,** expanded our access to talent, while improvements to onboarding, manpower planning and deployment tracking strengthened workforce readiness and operational agility.

Developing Leaders from Within



Leadership development remains central to our people strategy. During the year, structured capability-building programmes were conducted for Branch Managers, Cluster Managers, Regional Managers and Hub Leaders, covering business management, governance, compliance, people leadership and operational excellence.

We improved succession planning, mentoring, internal mobility and cross-functional development to prepare future leaders capable of supporting our Company's next phase of growth.

Fostering an Inclusive Workplace



We remain committed to creating a workplace founded on fairness, respect and equal opportunity. Focused recruitment efforts continued to improve workforce diversity, with women representing approximately **9%** of our employee base as of 31st March 2026.

Our inclusive workplace practices are supported by POSH awareness programmes, equal opportunity policies, maternity benefits, grievance redressal and leadership development opportunities that encourage professional growth across all levels of the organisation.

Strengthening Employee Experience



Employee engagement and well-being remain integral to our culture. During the year, initiatives such as **HR Connect, HR Chronicle, Aarambh** onboarding, employee counselling, leadership interactions, mindfulness sessions and well-being workshops helped enhance communication, collaboration and workplace engagement.

Recognition programmes, performance-linked incentives, technology-enabled HR services through the **HRone** platform and employee-focused policies helped enhance the employee experience while supporting a high-performance culture.

Recognition that Reflects Our Culture



Our commitment to building an employee-centric workplace was recognised through our **Great Place to Work® Certification for the 7th consecutive year.** We were also named among India's Top 75 Best Workplaces in BFSI, reflecting the strength of our culture, employee engagement practices and focus on creating a high-trust, inclusive and performance-driven organisation.

People Highlights

20%
Growth in Number of Employees

83%
EduRigo Active Engagement

50+
Students Onboarded through Campus Interviews

9%
Women in the Workforce

Community Impact

EXTENDING OUR IMPACT BEYOND FINANCIAL SERVICES

At Midland, our engagement with communities goes beyond access to credit. We work to strengthen financial awareness and support initiatives that respond to practical needs across the communities in which we operate. During FY 2025–26, our efforts brought together financial literacy, industry partnerships and community-based initiatives across health, education and welfare.

FY 2025–26 AT A GLANCE

2,850+
Girls Supported in Education

2,200+
Solar Torches & Lanterns Distributed

1,200+
Streetlights Installed in Rural Areas

1,500+
Fans Installed in Public Spaces

970+
Families Supported in Crisis Relief

300+
Women Honoured on Women's Day

16+2
States and Union Territories

Building Financial Awareness through Partnerships

Financial inclusion is most effective when access to finance is supported by the knowledge to make informed financial decisions. During FY 2025–26, Midland conducted financial literacy workshops reaching many rural women, with sessions focused on practical aspects of borrowing, repayment, savings and household finances. Our partnerships with MFIN and Sa-Dhan complemented these on-ground efforts, helping extend financial awareness initiatives across the communities we serve and enabling more women to access practical knowledge to make informed financial decisions.



COMMUNITY INITIATIVES

Alongside financial literacy, Midland continued to support initiatives addressing everyday needs within local communities.



Solar Lighting

Installation of street lights to improve visibility, safety and access to lighting in communities with limited public illumination.

Distribution of solar torches and lanterns to support communities with limited access to reliable lighting.



Hygiene & Sanitation

Distribution of Happy Taps to support access to handwashing and improved hygiene facilities.

Sanitary napkin distribution and installation of vending machines to promote menstrual hygiene and support access to essential menstrual care products.



Education

Distribution of educational materials to support students and learning in local communities.

Distribution of fans to schools to provide students with a more comfortable classroom environment and support effective learning.



Healthcare

Organisation of free medical camps to facilitate access to basic healthcare services within communities.



Sports & Youth Development

Khel Udaan to support emerging young athletes with nutrition kits and sports uniforms, helping them pursue their sporting aspirations with greater preparation and confidence.



Community Welfare

Distribution of blankets and other need-based support as part of Midland's wider community engagement efforts.

Distribution of mosquito racquets in flood-prone areas to support households in managing mosquito-related challenges and maintaining a more comfortable living environment.

Governance & Ethics

GOVERNANCE THAT ANCHORS GROWTH

As we continue to scale our operations and diversify our portfolio, strong governance remains central to every decision we make. Our governance framework combines independent oversight, responsible leadership, robust controls and regulatory discipline, enabling sustainable growth while safeguarding stakeholder interests.



Governance Aligned with Our Next Phase of Growth

Our governance framework continued to evolve during FY 2025-26 to support a larger organisation, a broader product portfolio and an increasingly dynamic regulatory landscape. Throughout the year, we strengthened Board oversight, deepened risk and compliance capabilities, refined governance policies and increased technology adoption to improve transparency, accountability and operational resilience. During the year, our focus remained on translating these governance principles into stronger oversight, timely corrective action and enhanced organisational resilience.

Key developments during the year included:

- Portfolio diversification through new products, including Co-Lending and BC partnerships, with policies created to enable business expansion.
- Deployment of a Compliance Management Tool to strengthen compliance monitoring and reporting
- Enhanced governance and approval processes for related-party transactions in line with evolving SEBI and RBI regulations.
- Strengthening of the Consumer Protection Committee and Vigil Mechanism to reinforce customer protection and ethical conduct
- Annual review and strengthening of Board-approved policies to align with evolving RBI, SEBI and Companies Act requirements
- Continued digitisation of governance processes across customers, employees, vendors and business partners
- Creation of a dedicated Risk vertical to sharpen enterprise-wide risk oversight

Board Committees Driving Effective Oversight

Our Board Committees provide focused oversight across key areas of governance, risk management, customer protection, strategy and compliance. Operating under clearly defined terms of reference, they support timely decision-making while strengthening accountability across the organisation.

Governance Beyond Compliance

Governance at our Company extends beyond meeting regulatory obligations. We strengthen our internal frameworks to keep governance in step with business expansion, responsible lending and long-term value creation.

During FY 2025-26, we strengthened governance through:

- Structured governance reviews before launching new products and undertaking significant business initiatives
- Ongoing digitisation of secretarial and compliance monitoring processes
- Enhanced accountability through structured monitoring of Board decisions



- Strengthened oversight of customer protection and conduct through the Consumer Protection Committee
- Periodic review of outsourcing and vendor governance in line with revised RBI directions

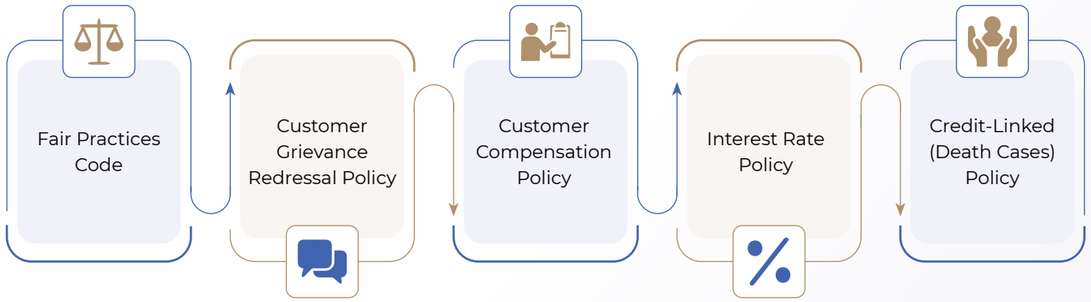
Policies that Strengthen Ethical Conduct

A governance framework is supported by clearly defined policies that guide ethical conduct, transparency and responsible decision-making across the organisation. During the year, governance policies were reviewed and updated to reflect changing regulatory expectations and business requirements.

- Code of Conduct for Directors and Employees
- Corporate Governance Policy
- Insider Trading Code
- Whistle-blower Policy
- Related Party Transaction Policy
- Board Performance Evaluation Framework

Customer-Centric Governance

Responsible finance begins with responsible governance. Our customer governance framework promotes fair practices, transparent communication, responsible conduct and effective grievance resolution throughout the lending lifecycle.



People-Centric Policies

Our governance philosophy extends equally to our employees. We continue fostering an inclusive, ethical and performance-oriented workplace through policies that support equal opportunity, continuous learning, employee well-being and professional development.

- Equal Employment Opportunity Policy
- Learning and Development Framework
- ESOP Scheme
- Attendance and Leave Policy
- Car Lease Policy
- Anti-Sexual Harassment Policy



Integrated Risk and Compliance Framework

Risk management and compliance are embedded across our governance framework. During FY 2025-26, we continued strengthening our enterprise-wide control environment through sharper risk governance, enhanced compliance monitoring, cybersecurity preparedness, fraud risk oversight and business continuity planning. The creation of a dedicated Risk vertical further strengthened enterprise-wide identification, assessment and monitoring of risks.

- Risk Management Policy
- Compliance Policy
- Internal Audit Policy
- Fraud Risk Management Policy
- Information Security Policy
- Business Continuity and Disaster Recovery Plan

Prepared for an Evolving Regulatory Landscape

As regulatory expectations continue to evolve, we proactively review our governance architecture to remain future-ready. During the year, we strengthened governance around outsourcing, data privacy, responsible lending, cybersecurity, ESG oversight and regulatory reporting.

Key focus areas included:

- Aligning with RBI's revised outsourcing framework
- Strengthening data privacy and cybersecurity governance
- Enhancing governance for co-lending and secured lending
- Deploying technology to improve transparency, evidence-based monitoring and accountability
- Building readiness for expanded ESG and value-chain disclosures
- Strengthening regulatory reporting and compliance monitoring
- Enhancing customer protection and responsible lending governance

Governance Priorities Going Forward

Looking ahead, we remain focused on continuously strengthening our governance standards as the organisation grows.

Our priorities include:

01 Deepening ESG governance and disclosure practices

02 Advancing technology-enabled compliance monitoring

03 Strengthening enterprise risk management and scenario-based stress testing

04 Further strengthening customer protection and responsible lending governance

05 Building governance readiness for future regulatory developments and long-term institutional growth

Leadership

LEADERSHIP THAT GUIDES SUSTAINABLE GROWTH

Strong institutions are built on capable leadership. Our Board of Directors and Senior Management combine deep expertise across financial services, governance, technology, risk management and business operations, providing the strategic direction and operational discipline needed to deliver sustainable long-term growth.

Board of Directors (as on 31st March 2026)



Mr. Parveen Kumar Gupta

Designation:
Chairman and Independent Director

DIN:
02895343

Date of Appointment:
21st December 2021

Nationality:
Indian

Age: 66

Board Committees:

- Audit Committee
- Nomination and Remuneration Committee

Areas of Expertise:

Industry experience, financial expertise, strategy and planning, governance, compliance and risk advisory



Mr. Amardeep Singh Samra

Designation:
Managing Director

DIN:
00649442

Date of Appointment:
7th June 2010

Nationality:
Indian

Age: 55

Board Committees:

- Stakeholders' Relationship Committee
- CSR Committee
- Risk Management Committee
- Board Management Committee
- SCBMF

Areas of Expertise:

Financial expertise, strategy and planning, marketing experience and leadership



Mr. Santokh Singh Chhokar

Designation:
Non-Executive Director

DIN:
00514356

Date of Appointment:
21st December 2021

Nationality:
British

Age: 70

Board Committees:

None

Areas of Expertise:

Legal expertise, community leadership, public service and international legal affairs



Mr. Sachin Nithyanand Kamath

Designation:
Nominee Director

DIN:
01592593

Date of Appointment:
31st March 2016

Nationality:
Indian

Age: 60

Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- CSR Committee

Areas of Expertise:

Global asset management, investment strategy, cross-border investments, private equity and financial leadership



Mrs. Kamna Raj Aggarwalla

Designation:
Independent Director

DIN:
07009446

Date of Appointment:
17th August 2016

Nationality:
Indian

Age: 67

Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- CSR Committee
- Risk Management Committee
- IT Strategy Committee
- Board Management Committee
- SCBMF

Areas of Expertise:

Export promotion, industrial leadership,



Mr. Ashwani Kumar Jindal

Designation:
Independent Director

DIN:
00670384

Date of Appointment:
11th August 2022

Nationality:
Indian

Age: 52

Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- IT Strategy Committee
- Board Management Committee
- SCBMF

Areas of Expertise:

NBFC audit experience, taxation and compliance expertise, regulatory advisory and professional leadership



Mr. Shant Kumar Gupta

Designation:
Additional Director

DIN:
01571485

Date of Appointment:
29th January 2026

Nationality:
Indian

Age: 60

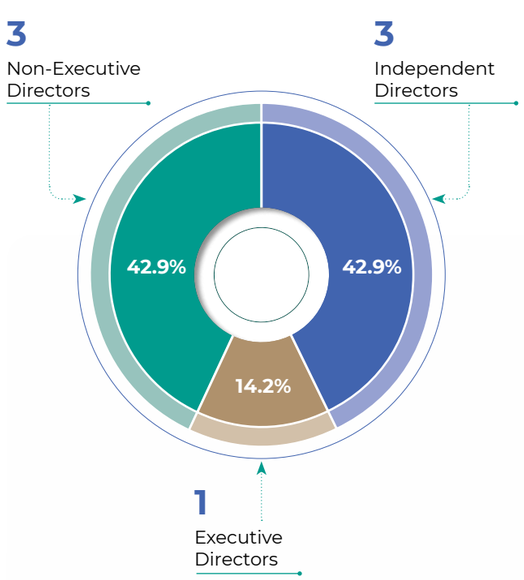
Board Committees:

None

Areas of Expertise:

Financial expertise, strategy and planning, Investment strategy, leadership experience

Board Composition (As on 31st March 2026)



Category	Count	% of Board
Independent Directors	3	42.9%
Executive Directors	1	14.2%
Non-Executive Directors	3	42.9%
Total Board Strength	**7**	**100.0%**

Board Tenure

The Board combines institutional knowledge with independent perspectives, providing continuity while bringing fresh insights to strategic decision-making.

6.8 years
Full Board

15.8 years
Managing Director

5.8 years
Independent Directors

4.8 years
Non-Executive Directors

Key Managerial Personnel



Mr. Amardeep Singh Samra

Designation: Managing Director

Functional Responsibility

Overall leadership and strategic direction of the Company

Strategic Focus

Driving sustainable and profitable growth through disciplined credit expansion, strengthening institutional governance, and building a resilient, technology-enabled, customer-centric organisation.



Mr. Amitesh Kumar

Designation: President, CFO and COO

Functional Responsibility

Finance, Operations and Corporate Performance

Strategic Focus

Financial discipline, operational excellence, capital management and execution of growth strategy



Mr. Kapil Kumar Ruhela

Designation: Chief Compliance Officer and Company Secretary

Functional Responsibility

Governance, Compliance and Secretarial

Strategic Focus

Regulatory compliance, corporate governance, Board support and statutory oversight



Awards & Recognitions

RECOGNITION THAT REFLECTS OUR CULTURE

The recognitions we receive reflect the trust of our people and the strength of our organisational culture. During FY 2025-26, we were recognised for creating an inclusive, high-performance workplace built on trust, collaboration and continuous growth.

RECOGNITIONS RECEIVED DURING FY 2025-26

Certified
as a Great Place to Work® for the
7th consecutive year

Recognised
among India's Top 75 Best
Workplaces in BFSI

Board's Report

Dear Members,

Your Directors are pleased to present the Thirty-Eighth (38th) Annual Report of Midland Microfin Limited together with the Audited Standalone Financial Statements for the financial year ended 31st March 2026.

During the year under review, the Company continued to strengthen its position as a leading NBFC-MFI through sustained business growth, prudent risk management, robust governance practices and continued investments in technology and customer-centric initiatives. The Company's performance reflects its resilience in navigating an evolving regulatory and economic environment while remaining committed to its objective of promoting financial inclusion across underserved communities.

FINANCIAL SUMMARY HIGHLIGHTS, STATE OF AFFAIRS

The financial performance of the Company during FY 2025-26 reflects steady business growth supported by healthy disbursements, improved profitability and a strong capital position. Despite a dynamic operating environment, the Company maintained adequate liquidity, continued to strengthen its balance sheet and delivered improved returns to its stakeholders through disciplined execution and prudent financial management.

The highlights of the financial performance of the Company for the fiscal year ended 31st March 2026, together with the comparative position of the previous financial year, are as under

(INR in Million)

S. No.	Particulars	For year ended 31st March 2026 (Audited)	For year ended 31st March 2025 (Audited)
1	Total Gross Income	6,474.93	6,364.53
2	Interest Expended	2,782.27	2,721.78
3	Operating expenses (i)+(ii)	2,422.95	1,979.91
	(i) Employees cost	1,554.68	1,278.63
	(ii) Other operating expenses	868.27	701.28
4	TOTAL EXPENDITURE (2) +(3) (Excluding provisions and contingencies)	5,205.22	4,701.69
5	OPERATING PROFIT (1 - 4) (Profit before Provisions and Contingencies)	1,269.71	1,662.84
6	Provisions (other than tax) and contingencies (Net)	702.30	1,178.83
7	Net loss on fair value changes	149.60	157.40
8	Profit before Tax (6 - 7 - 8)	417.81	326.61
9	Tax expense	70.17	59.88
10	Net Profit from Ordinary Activities after Tax (8 - 9)	347.64	266.73
11	Net Profit/(Loss) for the period	347.64	266.73
12	Paid-up equity share capital (Face value INR 10/- per share)	523.73	523.73
13	Instruments entirely equity in nature Fully Paid (CCPS)	472.12	457.68
14	Reserves & Surplus excluding revaluation reserves	5,831.12	5,210.33
15	Net Worth (excluding Preference Share Capital)	6,826.97	6,191.74
16	Earnings Per Share (in INR)	6.64	5.56
17	Capital Adequacy Ratio (in %)	29.44	31.41
18	Operating Expenses (Opex) Ratio (in %)	8.34	7.48
19	Return on Total Assets (in %)	1.11	0.99
20	Return on AUM (in %)	1.19	1.01
21	Return on Equity (in %)	5.34	4.82

FINANCIAL HIGHLIGHTS

Preparation of Annual Accounts

The Annual Accounts have been prepared on the basis of Ind-AS accounting and the corresponding impact of the same in the previous year has been made accordingly. The aggregate Assets Under Management (AUM) of the Company has increased by INR 5,830.17 Million that represents increase of 22.21% as compared to the previous year.

Gross Income

The Company has earned a gross total income of INR 6,474.93 Million for the year ended 31st March 2026, as compared to INR 6,364.53 Million on 31st March 2025, registering a growth of 1.73%. The contributing factor to this growth in income was an increase in the net gain on derecognition of financial instruments.

Profit Before Tax (PBT)

Profit Before Tax (PBT) increased to INR 417.81 Million at the end of the financial year 2025-26, recording an increase of 27.93% over the previous year's PBT of INR 326.61 Million.

Profit After Tax (PAT)

The Company has booked PAT of INR 347.64 Million as on 31st March 2026, as against the profitability of INR 266.74 Million on 31st March 2025, registering an increase of 30.34%. The increase in PAT was primarily attributable to growth in the loan portfolio and lower impairment costs due to the Credit Guarantee Fund for Micro Units (CGFMU Scheme).

Return on Equity and Return on Assets

As mentioned above, increase in PAT has contributed to better Return on Equity and Return on Total Assets to 5.34% and 1.11% respectively.

Net Worth

The net worth of the Company increased to INR 6,826.97 Million during the current financial year as compared to INR 6,191.74 Million in the previous financial year, reflecting a growth of 10.26%. The increase in net worth was primarily attributable to improved profitability during the year. Further, the Company also received call money in arrears amounting to INR 230.98 Million against pending partly paid-up compulsorily convertible preference shares issued to its existing shareholders, which additionally contributed to the increase in net worth.

Earnings Per Share

During the financial year 2025-26, the earnings per share of the Company increased to INR 6.64 as compared to INR 5.56 in the previous year, demonstrating an Increase of 19.43%.

Capital to Risk Weighted Assets Ratio (CRAR)

The Company's Capital to Risk Weighted Assets Ratio (CRAR) stood at 29.44% at the end of the year under review, which is well above the minimum regulatory requirement of 15% prescribed by the Reserve Bank of India for NBFC-MFI.

OPERATIONAL HIGHLIGHTS

Branch Expansion

During the year under review, the Company significantly strengthened its distribution network by adding 96 new branches, thereby increasing the total branch network to 613 branches from 517 branches in the previous year. Simultaneously, the Company continued to focus on improving the operational efficiency of its existing branches.

Operational Cost

During the period under review, the Company has expanded more in technological upgrades to enhance the capability and efficiency of the operations. Accordingly, the operational cost has increased to 8.34% during the current financial year as against 7.48% for the previous financial year.

During the year, the operational and financial performance of the Company was as follows-

Particulars	31st March 2026	31st March 2025	31st March 2024	31st March 2023	31st March 2022
States	16	12	12	12	11
Union Territories	2	2	2	2	1
Districts	269	224	209	169	140
Villages Covered	1,08,615	86,393	64,506	40,628	29,658
Branches	613	517	436	329	274
Joint Liability Groups	172,050	172,183	195,226	145,889	98,658
No. of Borrowers	1,065,735	997,776	986,881	700,677	497,495
Maximum Loan Amount (INR)					
- Individual Loans	200,000	150,000	150,000	150,000	150,000
- Joint Liability Group	80,000	80,000	80,000	70,000	50,000

Particulars	31st March 2026	31st March 2025	31st March 2024	31st March 2023	31st March 2022
Average Ticket Size (INR)	55,855	48,683	46,393	42,392	32,731
Cumulative Loan disbursement (INR in Million)	146,408.38	117,812.17	95,666.14	70,463.92	50,967.57
Assets Under Management (INR in Million)	32,078.51	26,248.34	26,715.47	19,394.19	11,374.14
Own book Portfolio (INR in Million)	25,719.86	21,698.35	20,773.13	15,367.67	10,594.10
Assigned Portfolio (INR in Million)	2,300.99	1,182.88	4,659.35	2,526.80	780.04
Business Correspondent (BC) Portfolio (INR in Million)	4.14	3.48	1.25	-	-
Loan Disbursed in FY (INR in Million)	28,596.21	22,146.03	25,202.22	19,496.35	13,385.06
Equity Share Capital (INR in Million)	523.73	523.73	476.11	455.70	455.70
Compulsorily Convertible Preference Share Capital (INR in Million)	472.12	457.68	434.67	335.16	-
Preference Share Capital (INR in Million)	267.95	241.32	455.42	410.98	393.33
Total Assets (INR in Million)	35,176.64	27,488.09	26,215.91	19,902.18	15,693.48

LENDING OPERATIONS

During the year, there has been no change in the nature of the business of the Company.

Disbursements

During the financial year 2025-26, the loan disbursals were INR 28,596.21 Million, demonstrating an increase of 29.13% as compared to previous year's loan disbursals of INR 22,146.03 Million.

As on 31st March 2026, the Company's cumulative disbursements since inception stood at INR 146,408.38 Million as against INR 117,812.17 Million as on 31st March 2025, reflecting a growth of 24.27%. The growth in cumulative disbursements was primarily attributable to the expansion of the Company's branch network through the addition of 96 new branches during the year.

The details of cumulative state-wise sanctions and disbursements are as under-

State	Disbursement (INR in Million)
Bihar	41,995.82
Gujarat	3,336.81
Chhattisgarh	107.04
Haryana	8,231.71
Himachal Pradesh	329.07
Andhra Pradesh	146.56
Jammu & Kashmir	299.50
Jharkhand	7,539.87
Madhya Pradesh	23,171.63
Odisha	3,678.36
Punjab	3,040.40
Rajasthan	28,583.79
Uttar Pradesh	21,295.77
Uttarakhand	606.69
West Bengal	3,860.06
Assam	125.84
Maharashtra	59.46
Grand Total	**146,408.38**

RECOVERY & STRESSED ASSETS MANAGEMENT

Portfolio quality continued to remain stable with Gross NPA at 1.99% as on 31st March 2026. The Company maintained a prudent provisioning policy and continued to strengthen its recovery mechanisms through dedicated collection strategies, technology-enabled monitoring and disciplined credit underwriting. The Company has made the sale of its stressed portfolio of INR 1,714.86 Million during the year for the consideration of INR 857.40 Million achieving the valuation of 50%.

RESOURCE MOBILISATION

During the year under review, Company has continued to diversify the sources of funds which includes public sector bank, private sector bank, and other financial institutions. The Company vide Special Resolution passed on 29th September 2025, under Section 180 (1) (c) of the Companies Act, 2013, authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of the aggregate of paid up share capital and free reserves of the Company, up to an amount of INR 5,000 Cr. (Rupees Five Thousand Crores only) and the total amount so borrowed shall remain within the limits.

The total borrowings of the Company stood at INR 27,662.30 Million on 31st March 2026, as against INR 20,825.11 Million in the previous year.

Equity and Preference Shares

During the year under review, there was no change in the Equity Share Capital of the Company. However, the Company received call money in arrears amounting to INR 231.98 Million against pending partly paid-up Compulsorily Convertible Preference Shares (CCPS) issued to its existing shareholders on a rights basis.

Non-Convertible Debentures

During the year under review, the Company issued Secured and Unsecured Redeemable Non-Convertible Debentures aggregating to an amount of INR 6,150 Million on private placement basis. Further, the Company redeemed Non-Convertible Debentures amounting to INR 782.97 Million, issued on private placement basis. The Company has been regular in making payments of principal and interest on NCDs. During the year under review, the Non-Convertible Debentures were paid / redeemed by the Company on or before their respective due dates.

As of 31st March 2026, outstanding Secured Non-Convertible Debentures stands at INR 8,963.02 Million and outstanding Unsecured Non-Convertible Debentures amount to INR 1,714.45 Million.

Term Loans and Other Borrowings

During the year under review, the Company raised funds by way of borrowing from term loans and securitisation of INR 13,482.04 Million. As on 31st March 2026, total outstanding borrowings excluding NCDs stood at INR 16,716.87 Million.

Assignment of Loans

During the year under review, the Company assigned the receivables of loan portfolio aggregating to INR 2,944.86 Million.

COMPANY'S PROSPECTUS, FUTURE PLANS AND BUSINESS OVERVIEW

Business Overview

FY 2025-26 marked a pivotal year in Midland Microfin Limited's 15-year journey, underscoring its commitment to inclusive growth, operational prudence, and financial resilience. Midland Microfin Limited as the Company continued to strengthen its position as a leading rural-focused financial services institution. Despite a dynamic operating environment and evolving regulatory landscape, the Company remained focused on sustainable growth, prudent risk management, operational excellence and financial inclusion.

As on 31st March 2026, the Company's Assets Under Management (AUM) stood at INR 32,078.51 Million, while its customer base expanded to 10,65,735 borrowers across 16 States and 2 Union Territories. The Company's strong market presence, diversified funding profile and disciplined execution enabled it to maintain steady growth while preserving portfolio quality and operational efficiency.

The Company maintained a healthy capital position with a Capital Adequacy Ratio of 29.44% and a strong liquidity buffer of INR 4,764.19 Million. Asset quality remained resilient with Gross Non-Performing Assets (GNPA) at 1.99% of the on-book portfolio as on 31st March 2026. The Company also maintained a Provision Coverage Ratio of 68.13%, reflecting its prudent approach towards risk management and provisioning.

During the year, the Company continued to strengthen its governance framework, risk management practices, technology infrastructure and customer service standards. Its focus on responsible lending, regulatory compliance and customer-centric operations remained central to its business strategy.

Supported by a dedicated workforce, strong governance standards and an expanding rural footprint, the Company remains well positioned to deliver sustainable growth and create long-term value for its stakeholders while furthering its objective of promoting financial inclusion across underserved communities.

Prospects

The microfinance industry demonstrated encouraging signs of recovery during FY 2025-26, supported by improving asset quality, strengthening collection efficiencies and sustained credit demand from rural and semi-urban markets. As per the MFIN Micrometer (Q4 FY 2025-26), the overall microfinance industry portfolio stood at approximately INR 3.75 Lac Cr., serving around 7.8 Cr. unique borrowers through 13.3 Cr. loan accounts across the country.

NBFC-MFIs continue to play a pivotal role in the sector, accounting for approximately 44.2% of the total microfinance portfolio, with an aggregate Assets Under Management (AUM) of around INR 1.47 Lac Cr. The sector witnessed a significant improvement in portfolio quality during the year, with PAR 31-180 days improving to 2.0% as on 31st March 2026, from 6.1% in the previous year, reflecting stronger credit discipline, prudent underwriting practices and enhanced recovery efforts across the industry.

The sector also witnessed improved access to funding, with NBFC-MFIs raising approximately INR 77,870 Cr. of debt funding during FY 2025-26, representing a significant increase over the previous year. Continued support from banks and financial institutions, coupled with a favourable interest rate environment, is expected to strengthen liquidity and support future growth.

Further, regulatory initiatives undertaken by the Reserve Bank of India, including the cumulative reduction in policy rates and the revision of qualifying asset norms, are expected to provide greater operational flexibility and facilitate diversification into adjacent lending segments. The increasing adoption of digital technologies, data analytics and customer-centric operating models is also expected to enhance operational efficiency and risk management capabilities across the industry.

The outlook for the sector remains positive, supported by growing demand for formal credit, deeper financial inclusion, rising economic activity in rural markets and continued regulatory support. Midland Microfin Limited remains well-positioned to capitalise on these opportunities through its strong governance framework, disciplined risk management practices, robust capital position and continued investments in technology and operational excellence. The Company will continue to focus on sustainable growth, portfolio quality, customer service and responsible lending while creating long-term value for all stakeholders.

Future Plans

Midland Microfin Limited is entering a new phase of growth and transformation with a focus on building a diversified and sustainable financial services platform. While microfinance will continue to remain a core business segment, the Company has initiated strategic steps towards expanding its product portfolio and strengthening its presence across multiple lending categories.

The Company has commenced the rollout of new lending products and, going forward, intends to further diversify its portfolio through secured and semi-secured lending offerings, including Loan Against Property (LAP), MSME Loans, Vehicle Loans and other retail and business lending products. These initiatives are aimed at broadening the Company's customer base, reducing concentration risk and catering to the evolving financial requirements of borrowers across rural and semi-urban markets.

The Company also plans to augment portfolio growth through strategic partnerships and alternate lending models, including co-lending arrangements, direct assignment transactions, securitisation structures and other collaborative lending initiatives. Such arrangements are expected to enhance capital efficiency, improve funding access and enable the Company to serve a wider customer segment while maintaining prudent risk management standards.

A key focus area for the Company will be geographic expansion through entry into high-potential districts in underserved states, while simultaneously deepening its presence in existing markets through data-driven expansion strategies, branch network optimisation and enhanced customer outreach initiatives.

The Company will continue to drive digital transformation across the customer lifecycle by strengthening technology-enabled processes relating to customer acquisition, onboarding, credit assessment, loan origination, disbursement, collections, customer servicing and grievance redressal. Continued investments in digital platforms, including the MidFin Customer Service App, CRM systems and automated loan processing solutions, are expected to enhance operational efficiency and customer experience.

On the liability side, the Company remains focused on diversifying its funding profile through deeper engagement with banks, financial institutions, development finance institutions, capital market participants and impact investors. Broadening funding sources will support future growth plans while ensuring adequate liquidity, cost-efficient borrowings and a balanced liability structure.

The Company will continue to pursue operational excellence by strengthening its governance framework, compliance culture, risk management architecture and internal control environment in line with evolving regulatory requirements. Emphasis will be placed on regulatory compliance, customer protection, grievance monitoring, cybersecurity, fraud risk management, responsible lending practices and adherence to applicable RBI guidelines, including revised qualifying asset norms and other regulatory developments.

With a strong foundation, diversified growth strategy, robust capital position and experienced management team, Midland Microfin Limited remains well positioned to capitalise on emerging opportunities and create long-term value for its customers, lenders, investors and other stakeholders while advancing its mission of promoting financial inclusion across underserved communities.

SHARE CAPITAL AND DEBENTURES

Capital Structure

The Authorised Share Capital of the Company as on 31st March 2026, stood at INR 1,280,000,000/- (Indian Rupees one hundred twenty-eight Crores only):

- INR 530,000,000/- (Indian Rupees fifty-three Crores only) divided into 53,000,000 (five Crore and thirty Lakh) equity shares of INR 10/- (Indian Rupees ten only) each; and
- INR 300,000,000/- (Indian Rupees thirty Crores only) divided into 30,000,000 (Three Crores) preference shares of INR 10/- (Indian Rupees ten only) each.
- INR 450,000,000/- (Indian Rupees forty-five Crores only) divided into 3,000,000 (thirty Lakh) compulsorily convertible preference shares of INR 150/- (Indian Rupees one hundred fifty only) each.

Ranking pari-passu in all respects with the existing equity shares and preference shares of the Company, respectively, as per the memorandum and articles of association of the Company.

Raising of Funds/Capital

Paid-Up Share Capital

The subscribed and paid-up share capital of the Company as on 31st March 2026, stood at INR 1,053,104,228/- (Indian Rupees one hundred five Crore thirty-one Lakh four thousand two hundred and twenty eight only) comprising of:

- **Equity Shares:**

  52,373,407 equity shares of INR 10/- each, fully paid-up, amounting to INR 523,734,070/-.

- **Preference Shares:**

  5,725,000 preference shares of INR 10/- each, fully paid-up, amounting to INR 57,250,000/-.

- **Compulsorily Convertible Preference Shares:**

  2,771,559 compulsorily convertible preference shares of INR 150/- each, fully paid-up, amounting to INR 415,733,850/-.

5,348,937 preference shares of INR 10/- each, fully paid-up, amounting to INR 53,489,370/-.

965,646 preference shares of INR 10/- each, with INR 3/- paid-up, amounting to INR 2,896,938/-.

Non-Convertible Debentures

During the financial year ended on 31st March 2026, the Company allotted the Debentures on private placement basis as follows:

a) Secured, Senior, Rated, Redeemable Non-Convertible Debentures (Listed):

During the financial year ended on 31st March 2026, the Company allotted

- Secured, Senior, Rated, Redeemable Non-Convertible Debentures (Listed) worth INR 5,600 Million on private placement basis as follows:

Date	No. of Debentures	Nominal Amount	Total Amount (INR in Million)
14th May 2025	25,000	INR 10,000.00	250.00
27th May 2025	5,000	INR 100,000.00	500.00
13th June 2025	50,000	INR 10,000.00	500.00
21st August 2025	50,000	INR 10,000.00	500.00
30th September 2025	5,000	INR 100,000.00	500.00
20th November 2025	50,000	INR 10,000.00	500.00
27th November 2025	5,000	INR 100,000.00	500.00
30th December 2025	5,000	INR 100,000.00	500.00

Date	No. of Debentures	Nominal Amount	Total Amount (INR in Million)
28th January 2026	50,000	INR 10,000.00	500.00
24th February 2026	5,000	INR 100,000.00	500.00
17th March 2026	5,000	INR 100,000.00	500.00
30th March 2026	3,500	INR 100,000.00	350.00
TOTAL	**258,500**	**-**	**5,600.00**

b) Unsecured, Senior, Rated, Redeemable Non-Convertible Debentures (Listed):

During the financial year ended on 31st March 2026, the Company allotted

-Unsecured, Senior, Rated, Redeemable Non-Convertible Debentures (Listed) worth INR 550.00 Million on private placement basis as follows:

Date	No. of Debentures	Nominal Amount	Total Amount (INR in Million)
12th December 2025	3,500	INR 100,000	350.00
18th December 2025	2,000	INR 100,000	200.00
TOTAL	**5,500**	**-**	**550.00**

DIVIDEND

In order to support the Company's growth objectives and enhance long-term returns for its Members, the Board of Directors considers it prudent to conserve internal resources. Accordingly, the Directors have decided to retain the profits for the financial year ended 31st March 2026, and have not recommended any dividend on Equity Shares for the fiscal year 2025-26. However, the Directors recommended dividend on the Preference Shares at the predetermined rates.

Further, the Board of Directors has adopted a Dividend Distribution Policy, which outlines the guiding principles and parameters for determining the payment and distribution of dividends. The detailed policy is available on the Company's website link: https://midlandmicrofin.com/wp-content/uploads/2026/08/Dividend-Distribution-Policy_1.3.pdf

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remained unpaid or unclaimed for a period of 7 (seven) years and shares thereof shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has sent notices to respective shareholders who have not claimed dividends for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF during the financial year 2026-27. The newspaper advertisement stating the same has also been published in the newspapers. The list of equity shareholders whose shares are liable to be transferred to IEPF can be accessed on the website of the Company at below mentioned

link: https://midlandmicrofin.com/wp-content/uploads/2026/07/Details-of-Unpaid-Unclaimed-Dividend.pdf

PUBLIC DEPOSITS

The Company, being a Non-Deposit Taking NBFC-MFI registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Financial Company – Micro Finance Institution (NBFC-ND-SI-MFI) under Section 45-IA of the RBI Act, 1934, has not accepted any deposits from the public during the financial year under review, in accordance with Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The Directors further report that the Company continues to operate in conformity with RBI guidelines, maintaining its categorisation and status as a Non-Deposit Taking NBFC-MFI and did not accept any public deposits during the financial year ended 31st March 2026.

RBI GUIDELINES

The Company is registered with the Reserve Bank of India as NBFC-MFI within the provisions of the section 45-IA of the Reserve Bank of India Act, 1934. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it During the year under review, your Company has not accepted/ renewed any public deposit. The provisions of Section 73 of the Companies Act 2013, read with applicable rules thereto

Disclosures under RBI Guidelines

The relevant disclosures applicable under the RBI Master Directions have been made in the Annual Financial Statements for the financial year ended 31st March 2026.

CREDIT RATING

The Company enjoys strong credit rating from different credit rating agencies such as CARE, ACUITE, SMERA and India Ratings. The credit ratings ensure that the Company continues to have access to financing at the most competitive rates at all times and even during tight liquidity conditions.

During the financial year ended on 31st March 2026, the rating agencies assigned and reaffirmed the following long term and short-term ratings of the Company:

S. No.	Name of Rating Agency	Type of Rating	Credit Rating
1	India Ratings	Credit Rating; NCD's	IND BBB/Stable
2	CARE Ratings	Credit Rating; Bank Facilities & NCD's	CARE BBB+(Negative)
3	Acuite Ratings	Credit Rating; Bank Facilities & NCD's	ACUITE A-/Negative
4	SMERA	Grading	M1C1

RISK MANAGEMENT

Enterprise Risk Management:

Risk management forms an integral part of the Company's governance framework and business strategy. The Company has established a comprehensive Enterprise Risk Management ("ERM") framework to identify, assess, monitor, manage and mitigate risks arising from its business operations. The framework is designed to ensure that risks are managed within the Company's defined risk appetite while supporting sustainable growth and safeguarding the interests of all stakeholders.

The Company is exposed to various risks including credit risk, operational risk, liquidity risk, market and interest rate risk, asset-liability management risk, compliance risk, information technology and cyber security risk, fraud risk, reputational risk and risks arising from changes in the regulatory and macro-economic environment. These risks are periodically reviewed by the management and the Board through appropriate governance mechanisms to ensure timely identification and effective mitigation.

The Company has implemented policies, procedures and internal control systems commensurate with the size, complexity and nature of its operations. The risk management framework is continuously strengthened in line with evolving business requirements and applicable regulatory guidelines issued by the Reserve Bank of India from time to time.

Credit Risk:

Credit risk represents the possibility of loss arising from a borrower's failure to meet contractual obligations. The Company has established a robust credit risk management framework encompassing customer due diligence, credit appraisal, assessment of repayment capacity, portfolio monitoring and collection mechanisms. Credit decisions are based on well-defined underwriting standards, assessment of borrowers' cash flows, credit history, indebtedness and, demographic factors and other relevant parameters. The Company also undertakes continuous monitoring of portfolio quality and maintains appropriate provisioning in accordance with applicable regulatory requirements.

Operational Risk:

Operational risk arises from inadequate or failed internal processes, people, systems or external events. The Company has instituted comprehensive internal controls, maker-checker mechanisms, segregation of duties, standard operating procedures, periodic reconciliations, internal audits and compliance monitoring to minimise operational risks. Continuous employee training, business continuity planning and technology-driven controls further strengthen the Company's operational resilience.

Compliance, Information Security and Cyber Risk:

The Company places significant emphasis on regulatory compliance and information security. Appropriate systems and processes have been implemented to ensure compliance with applicable laws, regulations and regulatory guidelines. The Company continues to strengthen its information technology infrastructure, cyber security controls and data protection measures to safeguard customer information and enhance operational resilience.

Liquidity and Asset Liability Management Risk:

Liquidity risk is managed through a prudent funding strategy, diversified borrowing profile, regular monitoring of liquidity positions and maintenance of adequate liquidity buffers. The Company has a well-defined Asset Liability Management (ALM) framework to monitor maturity mismatches and ensure timely availability of funds to meet its financial obligations. The Asset Liability Management Committee (ALCO) periodically reviews liquidity, funding profile, interest rate sensitivity and balance sheet risks to ensure compliance with regulatory requirements and internal risk thresholds.

The Board, through its Committees and the senior management, periodically reviews the effectiveness of the risk management framework, key risk indicators and mitigation measures. The Company remains committed to continuously enhancing its risk governance practices in line with evolving regulatory expectations, industry best practices and the changing business environment, thereby enabling sustainable growth while maintaining a prudent risk profile.

Asset Liability Management

The Board of Directors is responsible for establishing the risk management framework of the Company. The Board in turn has established an Asset Liability Management Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risks arising in the Company on both sides of the balance sheet. The Board, based on recommendations from the ALCO has prescribed policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of asset liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the Board. Among other responsibilities, ALCO has been empowered to decide the rate of interest for the various portfolios and funding mix for the Company in light of the future business strategy, risk matrix, market standards, practices and prevailing market conditions. The scope of ALCO has been commensurate with the requirements of the master directions issued by the Reserve Bank of India.

The Company has duly constituted an Asset Liability Management Committee (ALCO), chaired by the Managing Director for monitoring various risks such as liquidity risk, interest rate risk and currency risk. The ALCO determines the asset liability management strategy as per the prevailing and expected business environment and reviews major decisions affecting the business and working results, ALM mismatches, budgeting, resources among others. The Company follows a reporting system for asset liability management to review the mismatches and accordingly, remedial measures are taken.

Risk Management Policy

Pursuant to the applicable Guidelines, the Board of Directors have adopted a Risk Management Policy which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company or hinder the regular operations of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

DETAILS OF SUBSIDIARIES□ ASSOCIATES□ JOINT VENTURES

During the financial year ended on 31st March 2026, no company became or ceased to be the subsidiary/ associate or joint venture of Midland Microfin Limited.

TRANSFER TO STATUTORY RESERVE

The Directors are pleased to report that with an objective of reinforcing the financial strength, an amount of INR 69,528,102/- (Indian Rupees Six Crores Ninety-Five Lakh Twenty-Eight Thousand One Hundred Two rupees only) being 20% of the Profit After Tax (PAT) has been transferred to Statutory Reserve of the Company pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

INTERNAL CONTROLS

Internal Financial Controls

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement internal financial controls across the organisation with reference to financial statements and that such controls are adequate and are operating effectively. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information as well as detection and prevention of frauds and errors. Internal financial controls with reference to the financial statements were adequate and operating effectively.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations, citing inefficacy or inadequacy of such controls have been received from the auditors of the Company.

IT security controls are essential measures implemented to protect digital assets from unauthorised access, alteration or destruction. These controls encompass a range of technologies, processes and policies designed to safeguard information systems, networks and vulnerabilities. There are robust cloud systems which have been implemented efficiently, ensuring scalability, security and reliability for seamless operations and data management.

Internal Control Systems

The Company has put in place, well defined and adequate internal control system and mechanism commensurate with size, scale and complexity of its operations to ensure control of entire business and assets. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in house to continuously audit and report gaps if any, in the diverse business verticals and statutory compliances applicable.

LOANS, GUARANTEES OR INVESTMENT

Pursuant to Section 186(11) (a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (meetings of Board and its powers) Rules, 2014, the loans made, guarantee given or security provided or any investment made in the ordinary course of its business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India is exempt from the applicability of provisions of Section 186 of the Act. Hence, no disclosure is required to be made.

CORPORATE SOCIAL RESPONSIBILITY

The Company strongly believes in operating in an economically, socially and environmentally sustainable manner. The Company's Corporate Social Responsibility (CSR) initiatives are based on this principle.

The CSR mandate of the Company is to serve, uplift and empower communities that are at the bottom of the income pyramid, particularly those often lacking access to essential amenities such as affordable healthcare, clean and safe drinking water, employment opportunities and quality education as per the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

To oversee the CSR activities and pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has in place a Board level CSR Committee. The Committee is responsible for formulating, implementing and monitoring the CSR policy of the Company. The CSR Policy is available on the Company's website and can be accessed through the following link: https://midlandmicrofin.com/wp-content/uploads/2026/02/CSR-Policy.pdf.

During the financial year under review, the Company has incurred a total expenditure of INR 10,060,221 (Rupees One Crores Sixty Thousand Two Hundred Twenty-One only) towards its Corporate Social Responsibility (CSR) obligations, through "**Midland Foundation**", Incorporated as a society and registered under the Societies Registration Act (XXI of 1860) and as amended by Punjab Amendment Act 1957. "An unspent amount of INR 22,62,318 (Twenty-Two Lakh Sixty-Two Thousands Three Hundred and Eighteen only) has been duly transferred to the Unspent CSR Account in compliance with Section 135(6) of the Companies Act, 2013. The CSR initiatives undertaken by the Company, along with other relevant disclosures, are detailed in the Annual Report on CSR Activities for the financial year 2025–26.

The CSR policy of the Company, as adopted by the Board, broadly covers the following focus areas–

a) To eradicate hunger, poverty and malnutrition; or
b) To promote healthcare including sanitisation and preventive healthcare; or
c) To promote education, including special education and enhance employment skills, particularly for children, women, the elderly and differently abled individuals as well as to support livelihood; or
d) To promote gender equality and women empowerment; or
e) Rural development projects; or
f) Slum area development projects; or
g) All other projects permitted under the Schedule VII of the Companies Act, 2013.

EMPLOYEE STOCK OPTION SCHEME

The Company has formulated Employee Stock Option Scheme ("Scheme"), which have been duly approved by the shareholders of the Company in their meeting held on 13th February 2024. The Scheme have been devised in accordance with the Companies Act,

2013 with amendments or any enactments thereof, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (to the extent applicable). The Company has approved to create, issue, offer and allot options exercisable into Equity Shares not exceeding 24,17,086 (Twenty Four Lakh Seventeen Thousand and Eighty Six) fully paid up equity shares in the Company of INR 10/- (Rupees Ten Only) options, with each such option conferring a right upon the Employee (as defined in the Scheme) to apply for one equity share of the Company, in accordance with the terms and conditions of such grant. Further, during the year under review pursuant to the Scheme the Nomination and Remuneration Committee approved to grant of ESOP options to 2 employees of the Company 90,000 on 28th July 2025. In line with the Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the details related to options granted under the Employee Stock Option Scheme as on 31st March 2026, is as provided.

The Nomination & Remuneration Committee administers Employees Stock Option Scheme - 2024 ("Company's ESOP Scheme"), as formulated by the Company.

Sr. No.	Particulars	Remarks
1	Options outstanding at the beginning of the year	1,294,189
2	Options granted during the year	90,000
3	Options vested during the year	218,987
4	Options exercised during the year	0
5	Shares arising from the exercise of options	0
6	Options forfeited/lapsed during the year	166,711
7	Exercise Price (INR)	INR 77 and INR 96
8	Money realised from exercised options	INR 0
9	Options outstanding at year-end	1,006,151
10	Options exercisable at year-end	211,327
11	Options available for future grant	1,201,248
12	Variations in terms of options	None

* Options lapsed due to the resignation of employees who ceased employment as on 31st March 2026 (To be added as Footnote)

Employee-Wise Disclosures:

1. Senior Managerial Personnel to whom options were granted:

   Mr. Rajesh Kumar

   Mr. Vinod Kumar Maheshwari (Resigned)

2. **Employees granted options amounting to 5% or more of the total options granted during the year**:

Full name	Designation as on 31st March, 2025	No of Options
Mr. Rajesh Kumar	Strategic Business Head	80,000
Mr. Vinod Kumar Maheshwari	Head of IT	10,000

3. **Employees granted options equal to or exceeding 1% of the issued capital of the Company at the time of grant:** (excluding outstanding warrants and conversions):

   Nil

4. **Diluted Earnings Per Share:**

   As disclosed in the financial statements for FY 2025–26

5. **Total consideration received against issuance of ESOP shares**: Nil

6. **Changes in the Employee Stock Option Scheme (ESOP)**

   During the financial year 2025-26, the Company, in line with the applicable regulatory requirements prescribed by the Reserve Bank of India (RBI), amended its Employee Stock Option Scheme ("ESOP Scheme") to incorporate Malus and Clawback provisions. These provisions empower the Company to withhold, forfeit, recover, or reclaim stock options and/or benefits arising therefrom in specified circumstances, including, inter alia, cases of fraud, misconduct, material policy violations, financial misstatements, regulatory or compliance breaches, or any act resulting in significant financial or reputational harm to the Company.

The aforesaid provisions are applicable to the Key Managerial Personnel (KMP) and Senior Management Personnel (SMP), and may also be extended to other employees based on the nature of their roles and responsibilities. Any invocation of the Malus or Clawback mechanism shall be carried out through a fair and transparent process, ensuring due review and adherence to the principles of natural justice.

The Board is of the view that the incorporation of these provisions strengthens the Company's governance framework, aligns employee incentives with the long-term interests of the Company and its stakeholders, and reinforces a culture of accountability, prudent risk management, and sustainable value creation.

Except for the above amendment, no other changes were made to the ESOP Scheme approved by the members at the 37th Annual General Meeting during the financial year 2025-26.

ANNUAL RETURN

As required under Section 92(3) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company, i.e., www.midlandmicrofin.com.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all related party transactions entered into by the Company, were duly approved by the Audit Committee and were at arm's length and in the ordinary course of business. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Also, there were no material related party transactions entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for the financial year 2025-26 and hence, does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 are disclosed in Note No. 9 of the financial statements forming part of this Report.

None of the Directors had any pecuniary relationships or transactions vis-a-vis the Company except as provided in the notes to the accounts.

Pursuant to the requirement of Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 and other applicable regulatory requirements including the Companies Act 2013, the policy on related party transactions is available on the Company's website, and the same can be accessed at web link: https://midlandmicrofin.com/wp-content/uploads/2026/08/Related-Party-Transaction-Policy_29012026.pdf

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy: Ecology and Environment

At Midland Microfin Limited, sustainability is not just a guiding principle it's an embedded practice across our operations, outreach, and culture. While our core business of financial services does not involve significant energy-intensive processes, we have actively adopted environmentally conscious practices aimed at reducing our carbon footprint and enhancing resource efficiency.

Key Initiatives and Impact

- **Expanding Clean Energy Access** Through our collaboration with the Global Carbon Programme, we have extended access to clean energy and low-carbon technologies to around 3.9 Lac households, fostering sustainable living and improved health outcomes in rural India.
- **Scaling Renewable Energy Across Our Branch Network 151 of our branches** are now operating on solar energy. This transition reduces our reliance on conventional energy sources and exemplifies our commitment to green operational infrastructure.
- **Advancing Paperless Operations Through Digital Innovation**

  Technology continues to play a pivotal role in advancing our sustainability objectives. By embedding digital solutions, including mobile-enabled field operations, paperless documentation, geotagging, and automated workflows, we have transitioned to a paperless operating environment. Beyond conserving natural resources, these innovations optimise field operations by reducing redundant travel, improving productivity, lowering fuel consumption, and supporting our commitment to reducing operational emissions.
- **Promoting Clean Energy Adoption Through Solar Solutions**

  As part of our continued commitment to expanding access to clean energy solutions, we financed the purchase of over 17,000 solar products during FY 2025-26. Through sustained support for affordable solar technologies, we help rural households reduce their dependence on conventional energy sources while promoting environmental sustainability and long-term energy resilience.
- **Behavioural Energy Conservation Initiatives**

  Through regular circulars, campaigns, and training, employees are sensitised about conserving electricity, minimising paper use, and adopting green workplace practices. These behavioural nudges have resulted in more responsible resource consumption across our network.

TECHNOLOGY ABSORPTION

During the financial year 2025-26, the Company continued to leverage technology to enhance operational efficiency, strengthen governance,

and promote sustainable business practices. The Company's digital transformation initiatives have significantly reduced manual intervention across key business processes through increased automation, digitisation of workflows, and integration of technology-driven solutions.

The Company continued to expand the use of digital platforms for customer onboarding, loan processing, regulatory reporting, audit management, collections, and financial operations. The adoption of electronic documentation, digital signatures, e-mandates, UPI AutoPay, Account Aggregator framework, and Bank Statement Analyser has streamlined business processes, accelerated decision-making, improved data accuracy, and reduced dependence on physical documentation and paper-based records.

Further, implementation of technology solutions for enterprise mobility, regulatory reporting, audit management, accounting processes, and cybersecurity has strengthened internal controls, enhanced regulatory compliance, and improved operational resilience. These initiatives have also facilitated faster service delivery, improved customer experience, and supported the Company's expanding branch network through standardised and technology-enabled operations.

The Company's continued focus on digitisation has contributed to minimising paper consumption, reducing physical record management and associated logistics, thereby supporting environmentally sustainable business practices while improving operational efficiency and resource optimisation. The Board remains committed to adopting innovative and sustainable technology solutions that enhance productivity, strengthen governance, and create long-term value for all stakeholders.

Foreign Exchange Earnings and Outgo

During the year, there was no foreign exchange earnings and outgo during the year except the payments made under External Commercial Borrowings, Dividend, Directors Sitting Fee and reimbursements among others.

(In INR)

Earnings	FY 2025-26	FY 2024-25
ECB	-	2,805,270,000
	-	**2,805,270,000**
Outgo		
Interest payment on ECB	260,037,693	266,212,432
Upfront fee on ECB	-	3,586,500
Director sitting fee	55,040	140,000
Reimbursement of expenses	156,272	136,171
Dividend	14,721	11,122,236
	260,263,726	**281,197,339**

Directors and Key Managerial Personnel

Board of Directors

The composition of the Board of Directors is in accordance with provisions of Section 149 of the Act and Master Direction - Reserve Bank of India (Non-Banking Financial Company - Governance) Directions, 2025 and applicable regulation of SEBI LODR Regulations, with an optimum combination of Non-Executive Directors and Independent Directors (including one-woman director). As on 31st March 2026, the Board of Directors of the Company comprises of 7 (Seven) Directors, out of which 3 (Three) Directors are Non-Executive & Independent Directors, including 1 (One) Women Independent Director, One Nominee Director, One Executive Director and One Non-Executive Non-Independent Director. Details are furnished below:

Composition as on the date of the Director's Report

DIN	Name of Directors	Designation
00649442	Mr. Amardeep Singh Samra	Managing Director
07009446	Mrs. Kamna Raj Aggarwalla	Independent Director
01592593	Mr. Sachin Nithyanand Kamath	Nominee Director
00514356	Mr. Santokh Singh Chhokar	Non-Executive Director
02895343	Mr. Parveen Kumar Gupta	Independent Director
00670384	Mr. Ashwani Kumar Jindal	Independent Director
01571485	Mr. Shant Kumar Gupta*	Additional Director

***** Appointed w.e.f. 29th January 2026 subject to necessary approval.

Note: *None of the Directors holds office as a director, including alternate director, in more than twenty companies at the same time. None of them have directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included. As per declarations received, none of the directors serve as an independent director in more than seven listed companies. No Independent Director serves on the board of more than three Middle Layer NBFCs. Managing Director does not serve in any other Middle Layer NBFC.*

Detailed profile of the Directors is available on the Company's website at the web-link: https://midlandmicrofin.com/board-of-directors/

Appointment of Directors

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29th January 2026, approved the appointment of Mr. Shant Kumar Gupta as Additional Director (Non-Executive) of the Company, subject to necessary approval.

During the financial year 2025-26, Non-Executive Directors of the Company had no material pecuniary relationship or transactions with the Company, apart from receiving directors' remuneration by way of commission and sitting fees for attending meetings of the Board of Directors/Committee(s) as prescribed under Section 197 of the Act. The terms and conditions of appointment of Non-Executive & Independent Directors are available on the website of the Company. In opinion of the Board of Directors, the Independent Directors appointed are the person of integrity, expertise and experience (including proficiency) and fulfils requisite conditions as per applicable laws and are independent of the management of the Company

Re-Appointment

In accordance with provisions of Section 152 of the Act and Articles of Association of the Company, Mr. Santokh Singh Chhokar, Non-Executive & Non-Independent Director, is liable to retire by rotation at ensuing 38th AGM and, being eligible, offers himself for re-appointment as Director. The resolution seeking Members approval for his reappointment forms part of the Notice of ensuing AGM. The Board of Directors of the Company recommends his re-appointment. A brief profile and other relevant details of Mr. Santokh Singh Chhokar, as stipulated under applicable provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are furnished in the Notice of ensuing AGM.

Cessation of Directors

During the financial year ending on 31st March 2026, none of the directors ceased to be directors of the Company.

Statement on Declaration "Certificate of Independence"

The Company has received the requisite declarations from all Independent Directors pursuant to Section 149(7) of the Companies Act, 2013 and the applicable RBI Directions, confirming that they meet the prescribed criteria of independence and are not disqualified from holding office. The Board is satisfied that the Independent Directors possess the requisite integrity, expertise, experience and proficiency and that there has been no change in the circumstances affecting their independence. The Independent Directors are registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs (IICA) and have complied with the applicable requirements thereunder. The Company has also obtained declarations in compliance with Paragraph 27 of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, confirming that no Independent Director serves on the Board of more than three Middle Layer NBFCs simultaneously.

Key Managerial Personnel

During the year under review, there were no changes in the composition of the Key Managerial Personnel (KMP) in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013.

During the financial year under review, the Board, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, re-appointed Mr. Amardeep Singh Samra as the Managing Director of the Company for a further term of five (5) years with effect from 1st April 2025, upon completion of his previous term.

As on 31st March 2026, the following executives are designated as Key Managerial Personnel (KMP) of the Company:

Name	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Amitesh Kumar	President, Chief Operating Officer and Chief Financial Officer
Mr. Kapil Kumar Ruhela	Company Secretary & Chief Compliance Officer

Meetings of the Board

During the financial year 2025-26, 4 (Four) Board Meetings were held, the details of the same have been included in the Corporate Governance Report, which forms part of this Annual Report

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Section 178 of the Companies Act, 2013, read with the applicable Rules made thereunder, and in accordance with the Nomination and Remuneration Policy approved by the Board, the Nomination and Remuneration Committee and the Board of Directors have established a framework for the annual performance evaluation of the Board of Directors, its Committees, individual Directors, the Chairperson and Independent Directors.

Further, in terms of Schedule IV to the Companies Act, 2013 and the Board-approved Nomination and Remuneration Policy, the Independent Directors, at their separate meeting held on March 30, 2026, inter alia, evaluated:

I. reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

II. reviewed the performance of the Chairperson of the Company, considering the views of Executive and Non-executive Directors; and

III. assessed the quality, quantity and timelines of flow of information between the Company's management and the Board of Directors that was necessary for the Board of Directors to effectively and reasonably perform their duties.

Additionally, in terms of provisions of Section 178 of the Act, the performance evaluation process of all Independent and Non-Independent Directors of the Company was carried out by Nomination and Remuneration Committee at its meeting held on 4th May 2026.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) & 134 (5) of the Companies Act, 2013, the Board of Directors of the Company state and confirm that:

a. in the preparation of annual accounts for the fiscal year ended on 31st March 2026, the applicable accounting standards had been followed and there are no material departures.

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the statement of profit and loss of the Company for the financial year ended on 31st March 2026;

c. the Directors had 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 frauds and other irregularities.

d. the Directors had prepared the annual accounts of the fiscal year ended on 31st March 2026 on a going concern basis;

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

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

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

The Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025, inter alia, requires all the Non-Banking Finance Companies to put in place an Internal Guidelines on Corporate Governance and a Policy on "fit and proper" criteria for Director/s at the time of appointment, and on a continuing basis, with the approval of the Board of Directors of the Company. The Company has Internal Guidelines on Corporate Governance and the same is placed on the website of the Company.

AUDITS & INSPECTION OF ACCOUNTS

Statutory Auditors

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder, as amended and in accordance with the provisions of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines on Appointment of Statutory Auditors") issued by RBI vide circular no. Ref. No.DoS. CO.ARG/ SEC.01/08.91.001/2021-22 dated 27th April 2021, the Company in its 36th Annual General Meeting (AGM) held on 24th September 2024 had appointed M/s GSA & Associates LLP, Chartered Accountants (Firm Registration Number: 000257N/N500339 as statutory auditors of the Company to hold office for a term of three years until the conclusion of the 39th Annual General Meeting to be held in the financial year 2027-28.

Further, pursuant to the regulations of RBI Circular on appointment of Statutory Auditors, the Company duly ratified the appointment of M/s GSA & Associates LLP, Chartered Accountants and filed the Form-A with Reserve Bank of India in the due compliance of said regulations.

M/s GSA & Associates LLP, Chartered Accountants, Statutory Auditors of the Company have audited the financial statements of the Company for the financial year 2025-26.

Auditors' Report

M/s GSA & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, have audited the financial statements of the Company for the financial year ended on 31st March 2026. Pursuant to section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as 'Annexure to Independent Auditors' Report.

The Statutory Auditors' Report to the members does not contain any qualification.

Statement in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

During the period under review, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee/ Board or Central Government any instances of material fraud in the Company by its officers or employees under Section 143(12) of the Act.

However, there have been few instances of misappropriation and criminal breach of trust including embezzlement of cash by the employees amounting to INR 2,494,105/- (Indian Rupees Twenty-Four Lakh Ninety Four Thousand One Hundred Five only) and the due intimations were filed with Reserve Bank of India within the prescribed timelines. In all such cases, the Company terminated the services of the concerned employees and initiated appropriate legal action. The Company has made continuous efforts to recover the misappropriated amount and has successfully recovered INR 21,19,829/- during the year. The Company continues to make efforts to recover the remaining outstanding amount.

Also, during the financial year under review, there were a few instances of snatching incidents amounting to INR 7,23,281 (Rupees Seven Lakh Twenty-Three Thousand Two Hundred and Eighty-One Only), which were duly reported to the respective Regional Offices of the Reserve Bank of India. The Company has made diligent efforts to recover the said amount and has taken appropriate corrective and preventive measures in response to these incidents.

Response of the Board to the Auditors' Comment

The Auditors' Report, read with notes to the accounts, is self-explanatory and therefore, do not require further comments/elaborations pursuant to Section 134 of the Companies Act, 2013.

Internal Audit

In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive internal audits are conducted by independent internal auditors. They review internal controls, operating systems and procedures. The audit function also proactively recommends improvement in operational process and service quality to mitigate various risks. The Company has a dedicated internal audit department which is headed by Mr. Amit Kumar Rathi, who has very responsibly and diligently conducted the Internal Audit for FY 2025-26. Further, the Audit Committee of the Board of Directors periodically reviews the significant findings of audits, as prescribed under the Companies Act, 2013.

Secretarial Auditors and Secretarial Audit Report

M/s Harsh Goyal & Associates, Company Secretaries (COP No. 2802), were appointed as the Secretarial Auditors of the Company for the financial year ended 31st March 2025, based on the recommendation of the Audit Committee and approval of the Board of Directors, in accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder. The Company extended full support, cooperation, and access to all necessary documents and records for the smooth conduct of the secretarial audit.

The Secretarial Audit Report for the financial year ended 31st March 2025, issued by the Secretarial Auditors, is annexed to this Report as **Annexure – V**. The Report is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer **except as detailed below**, along with the management's response thereto:

S. No.	Secretarial Auditors remark	Management's Response
1.	Whereas in terms of the provisions of Regulation 60(2) of the SEBI (Listing Obligation and Disclosure Requirements), 2015 the Company was required to intimate the Record Date in advance of at least three working days, and in some instances the Company could not comply with the same. Penalty for the same was levied by BSE and was paid by the Company.	The Board noted the observation and advised further strengthening of the compliance monitoring mechanism and internal controls to ensure timely regulatory intimations. The instances were isolated and inadvertent in nature, and the applicable penalty levied by BSE Limited was duly remitted. The Company has since reinforced its compliance processes and continues to exercise due diligence to ensure timely adherence to applicable regulatory requirements.

Cost Records and Cost Audit

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

AUDIT COMMITTEE

The Company has an Audit Committee duly constituted in accordance with provision of Section 177 of the Act, The Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025, and as amended. All members of the Committee have adequate knowledge and experience in finance, accounting, and financial management. The scope of the Audit Committee, as set out in applicable laws, are approved by Board of Directors of the Company. The composition of Audit Committee & its terms of reference and the details of meeting(s) attended by Audit Committee members are provided in Corporate Governance Report which forms part of this Annual Report. During the financial year 2025-26, all the recommendations of Audit Committee were accepted by the Board of Directors of the Company

VIGIL MECHANISM WHISTLE BLOWER POLICY

The Company is committed to maintaining the highest standards of ethical, moral and legal conduct in all its business activities. In compliance with the provisions of Sections 177(9) and 177(10) of the Companies Act, 2013, the Company has in place a Board-approved Vigil Mechanism / Whistle Blower Policy, which provides an avenue for Directors, employees and other stakeholders to report genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct or any other misconduct.

The Vigil Mechanism provides adequate safeguards against victimisation of persons who avail the mechanism and ensures confidentiality of disclosures. It also provides for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

During the financial year under review, no whistle blower complaint was received by the Company.

Ms. Amarpreet Kaur Dutta, HR Lead Manager, acted as the Whistle & Ethics Officer during the year under review. Subsequently, with effect from 1st May 2026, Mr. Kapil Kumar Ruhela, Company Secretary & Chief Compliance Officer, has been designated as the Whistle & Ethics Officer of the Company.

The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company at https://midlandmicrofin.com/wp-content/uploads/2026/08/Whistle-Blower-Policy_04052026.pdf.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company is committed to building equitable and inclusive pathways for women, youth, and marginalised groups on a meaningful scale through breakthrough innovation. The Company has a vision to drive 'holistic empowerment' of the community and carries CSR initiatives through partnering with trust/foundation, qualified to undertake CSR activities in accordance with Schedule VII of the Act (includes amendments thereto). Sustainability and social responsibility are integral element of corporate strategy of the Company.

In compliance with Section 135 of the Act read with rules framed thereunder and in terms of SEBI LODR Regulations, as amended from time to time, the Company had established the Corporate Social Responsibility Committee. However, during the financial year 2025-26, As on this report in order to identify risks and opportunities across various ESG dimensions and developing strategic plans & objectives to mitigate these risks and leverage opportunities, the nomenclature of Corporate Social Responsibility Committee was changed to "Corporate Social Responsibility and ESG Committee" which also includes the terms of reference/ scope or functions as defined in ESG Policy of the Company. The composition, function and details of meetings attended by the Corporate Social Responsibility and ESG Committee Members during the financial year 2025-26, are provided in the Corporate Governance Report, which forms part of this Annual Report.

Annual Report on CSR under Section 135 of the Act read with rules framed thereunder, is annexed as **Annexure-III** to this Report and the same is available on the website of the Company i.e. www.midlandmicrofin.com. As per amended CSR Rules and CSR Policy of the Company, the funds required to be disbursed have been utilised for the purposes and in the manner as approved by the Board of the Company and fund utilisation certificates duly signed by Chief Financial Officer of the Company.

POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("the Act"), the Board of Directors has approved and adopted the Nomination and Remuneration Policy, *inter alia,* for the appointment and fixation of remuneration of the Directors, key managerial personnel and other employees of the Company as applicable. The Nomination and Remuneration Committee has also developed the criteria for determining the qualifications, positive attributes and independence of Directors.

The Reserve Bank of India has issued circulars for all Non-Banking Financial Companies w.r.t. Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management on 29th April 2022 vide circular No. RBI/2022-23/36 DOR. GOV.REC.No.29/18.10.002/2022-23, in which it has required NBFCs to put in place a Board approved compensation policy in order to address the issues arising out of excessive risk-taking caused by misaligned compensation packages. Further, the policy is required to include the constitution of a Remuneration Committee, the principles for fixed/variable pay structures and malus/clawback provisions. The Company has prepared the policy which has been duly approved by the Board of Directors of the Company.

The Nomination and Remuneration Policy of the Company as required under Section 178(3) of the Companies Act, 2013 and applicable rules thereunder is available on our website and the same can be accessed through web link: https://midlandmicrofin.com/wp-content/uploads/2026/02/Nomination-Remuneration-Policy_.pdf

The salient features of the Nomination and Remuneration Policy of the Company are mentioned hereunder: -

a. To support the organisation's strategy by helping to build a competitive, high performance and innovative Company with an entrepreneurial culture that attracts, retains, motivates and rewards high-performing employees.
b. To promote the achievement of strategic objectives within the Company's risk appetite.
c. To promote/support positive outcomes across the economic and social context in which the Company operates; and
d. To promote an ethical culture and responsible corporate citizenship.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing a safe, secure and conducive work environment for all employees and has adopted a zero-tolerance approach towards any form of sexual harassment at the workplace. In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the rules made thereunder, the Company has in place a Policy on Prevention of Sexual Harassment at Workplace (POSH Policy), which aims to prevent, prohibit and redress incidents of sexual harassment and promote a culture of dignity and respect.

The Company has constituted an Internal Complaints Committee ("ICC") in accordance with the requirements of the POSH Act. The ICC is entrusted with the responsibility of addressing and redressing complaints received under the Act in a fair, impartial and time-bound manner. To create awareness and foster a respectful workplace culture, the Company conducts periodic sensitisation and training programmes for employees and specialised training programmes for members of the ICC.

During the financial year under review, the Company continued its efforts to strengthen awareness regarding prevention and prohibition of sexual harassment at the workplace. Further, the Company completed registration on the SHe-Box (Sexual Harassment Electronic Box) portal of the Government of India during the year.

The details relating to complaints received and disposed of during the financial year 2025-26 are as under:

Particulars	FY 2025-26
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil
Complaints on POSH as a % of female employees	Nil
Complaints on POSH upheld	Nil

Particulars of Employees and Related Disclosures

The statement of disclosure of remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), and, The statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure- IV** and forms part of this report.

HUMAN RESOURCE DEVELOPMENT

Human Resources

The Human Resource Department at Midland Microfin Limited plays a paramount role in shaping the culture, values and driving strategic goals of the organisation. The Company views its people as its most precious asset and works to connect its human resources with its corporate objectives.

Our people practices are aimed at developing a culture that promotes growth, satisfaction, learning and engagement. We are focused on providing our employees with best in the industry infrastructure, technology and career progression opportunities.

Over the last year, the human resource team, in collaboration with other stakeholders have contributed significantly to improving productivity and supporting the business to achieve its goals.

Achievements:

- Great Place To Work – 7th year in a row
- 700+ trainings programmes conducted for more than 3,500 employees (training Team)
- Y-o-Y increase in employee strength by 20%

By initially identifying ways to use and develop technology as a strategy to save costs and increase internal efficiencies, HR has targeted its operational activities to align departments and its employees to the organisation's strategic plans. Performance Management System, role alignment, implantation of L&D and competency mapping framework have been major focus for Midland Microfin in the previous year.

Performance Management System:

Our robust and unbiased performance management system delivers success through performance-driven parameters. Performance scorecards defining employee KPIs and performance are released at regular intervals. With the inputs from our senior management, KPIs are identified and our employees are trained on the same. Workshops and training sessions are conducted at all levels to align the employees with their scorecards. We shall further be automating our PMS process through our HRMS platform and introducing 360 performance feedback.

Digitisation in Recruitment:

Midland has seen great success with its one-of-a-kind mass recruitment drive concept - Gaon Gaon Rozgar Muhim. In addition to the various diversified channels of recruitment such as employee referral schemes, social media posters, job portals and campus hiring, we are excited about the launch of our new initiatives and have seen success in the way we recruit.

Midland has introduced and automated its recruitment module by introducing recruitment WhatsApp BOT. The BOT allows the candidate to directly apply for a position PAN India and further connect with the right HR SPOC. Automation in this process has reduced the hiring time and further improved candidate productivity.

Learning and Development:

With an unswerving focus on nurturing and retaining talent, Midland continues to focus on building cutting-edge competencies through digital learning initiatives.

Learning roadmaps, gamified learning initiatives and mobile learning modules, applications, development programmes internal and through the external renowned organisation, senior leadership development programmes, domain-specific programmes and required regulatory certifications on compliance, behavioural training, business ethics, HR policy related issues and other personality building programmes have been a continuous endeavour for Midland and resulted in capacity development.

We conducted over 5,376 hours of training on various themes.

Our compensation policy has been designed to deliver "Pay to Performance" that allows us to link employee compensation directly to individual performance, through performance evaluation and merit-based scorecards.

Employee Stock Option Plan (ESOPs), longevity bonus, performance linked incentives, employee loans, insurance coverage, additional allowances and support are additional benefits to employees.

Employees are recognised for their efforts through exciting rewards and recognition programmes, six-monthly town halls, internal trips with management for top performers and strategy meet.

To build a safe working environment, we have multiple employee health and safety policies alongside providing them support with emotional, mental and physical wellness through yoga sessions, doctor on call, insurance facilities and other employee engagement activities.

There are 5949 permanent employees on the rolls of the Company as on 31st March 2026.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN COMPANY'S SECURITIES

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has complied and formulated a Code of Conduct for Prevention of Insider Trading Policy, which prohibits trading in securities of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company. The objective of this Code is to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons. Mr. Kapil Ruhela, Company Secretary and Chief Compliance Officer of the Company is authorised to act as Compliance Officer under the Code. Further the Company has maintained a Structural Digital Database (SDD) pursuant to provisions of regulations 3 (5) and (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES

Pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees, thus, the disclosure is not required to be given in the Report.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No such application has been made, or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not entered into one-time settlement with any bank or financial institution; thus, the disclosure is not required to be given by the Company.

STATUTORY DISCLOSURES

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There is no further material changes and commitments affecting the financial position of the Company, which has occurred till the end of the financial year i.e, 31st March 2026 and till the date of the Directors' report.

Significant and material orders passed by regulators or courts or tribunals impacting the going concern status and operations of the Company

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

Disclosure pertaining to Consolidated Financial Accounts under section 129(3) of the Companies Act, 2013

The Company has no subsidiary or associate companies, thus, the provisions of Section 129(3) of the Companies Act, 2013 are not applicable to the Company.

Change in the nature of business

There was no change in the nature of business of the Company in the financial year ended on 31st March, 2026. The Company is determined to work efficiently for its growth.

Issue of equity shares with differential rights, sweat equity, etc.

The Company has not issued any equity shares with differential rights, Sweat Equity, among others, during the financial year ended on 31st March 2026.

CUSTOMER RELATIONS

We strive to create a culture of 'Customer Obsession' by always listening to customers and driving continuous transformation to provide a frictionless experience across the lifecycle, from pre-disbursal to closure of a loan. In addition to addressing customer grievances through traditional methods such as phone calls, Midland has introduced several innovative technological solutions, including voice bots, chat bots, IVR calls and WhatsApp bulk messages. Our focus is to reach customers on various stages of their loans and update them on the status of their loan, repayments and eligibility for next loan. This will not only inform customers about their loans but also equip them with comprehensive knowledge related to loans.

Customer Grievance Redressal

Midland Microfin Limited remains committed to fostering transparency, trust, and accountability in all customer interactions. In line with the Reserve Bank of India (RBI) and Microfinance Institutions Network (MFIN) guidelines, the Company has implemented a robust, Board-approved Customer Grievance Redressal Mechanism (CGRM) to ensure the swift and effective resolution of customer concerns across all touchpoints.

The mechanism adheres to the RBI's "First Contact Resolution" principle, encouraging timely redressal at the initial interaction point and enabling escalation only where necessary. Every customer grievance is reviewed systematically and addressed at the next appropriate level, ensuring complete resolution and customer satisfaction.

Resolution of Grievances

A Grievance Redressal Officer (GRO) has been appointed at the Head Office to handle Level III escalations and oversee the Company's end-to-end grievance management. The GRO is responsible for ensuring that all complaints received through any platform—branches, CCRs, help desks, or digital interfaces—are addressed in accordance with internal SLAs and RBI-prescribed timelines.

The GRO presents a monthly grievance status report to senior management and the Board, ensuring strategic oversight and ongoing improvement. This includes:

- Category-wise analysis of complaints
- Trends and root cause identification
- Timelines for resolution
- Recommendations for process refinement

The Company's goal is to minimise escalations to senior levels by empowering front-line teams and leveraging technology for timely and effective resolution. Where escalation is necessary, the CGRM ensures transparent tracking, customer communication, and systemic correction.

Staff and Customer Education on the Code of Conduct and Grievance Redressal Mechanism

As the Company's customers are mainly situated in rural areas, thus, considering their educational, social and economic background, there is a possibility of customers being misinformed and miscommunicated. Thus, the Company has the mechanism in place, linking customers directly to the Company.

The Company has a Board approved Customer Grievance Redressal Mechanism for expeditious redressal of customer grievances to resolve the queries of the customers efficiently and effectively.

Fair Practice Code and Policy on Code of Conduct have been displayed in vernacular language at all branch premises.

As the Company prioritises transparency, prompt and efficient customer service, it adheres to all the compliances of MFIN and RBI regarding customer grievances. The Board has quarterly reviewed all the grievances received from customers and made required changes in the system to provide better services to customers.

1. The 'toll free number' e.g. 1800-137-0600 for grievance is printed in the members' passbook. Members are being educated to register complaints and the entire redressal mechanism. Along with toll free number, there are two dedicated customer helpline numbers 0181-5085555 and 0181- 5086666 to register customer grievances.
2. Members are also educated on toll free number where they can call for any queries and complaints during disbursement calling verification from head office.
3. The details of the Grievance Redressal officer are mentioned on the website of the Company. Members can lodge complaints on the given phone number of the head office i.e. 0181-5076000.
4. If a member is not satisfied with the resolution provided, he/she can approach MFIN, Sa-dhan or the nodal officer of the Reserve Bank of India. The MFIN toll free number i.e. 1800-1021080, Sa-dhan toll free number i.e. 1800-8899270 and Reserve Bank nodal officer's contact number i.e. 0172-2540320 are both printed on the passbook provided to the member for better transparency.
5. HR Toll free no. (1800-137-9600) is provided to all the employees to report the grievances, if any, anonymously. Employees can approach the HR, if he/she is not satisfied with the solutions provided by their senior.

Gender-Wise Composition of Employees

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company presents the gender-wise composition of its workforce as on 31st March 2026, as follows:

Male Employees: 5,530

Female Employees: 419

Transgender Employees: 0

This disclosure is part of the Company's ongoing commitment to foster an inclusive and equitable workplace, where all individuals are valued and provided with equal opportunities, regardless of gender. The Company recognises that a diverse workforce enhances innovation, strengthens decision-making, and reflects the communities it serves.

FAIR PRACTICES CODE

The Company is committed to dealing with its customers in a transparent manner and in executing fair deals. Thus, the Company has adopted the Board approved Fair Practices Code, which provides operating guidelines for effective dissemination and implementation of responsible business practices and grievance redressal system. The Company follows various guidelines issued by the Reserve Bank of India (RBI) and Microfinance Institutions Network (MFIN) on Fair Practices Code for NBFC-MFIs and has also adopted Industry Code of Conduct developed by Self-Regulatory Organisation (SRO) recognised by the Reserve Bank of India.

The Company's Fair Practice Code can be accessed through the link https://www.midlandmicrofin.com/fair-practice-code/.

The Fair Practice Code of the Company has been displayed at all the branch offices, in English as well as in vernacular languages.

LISTING ON STOCK EXCHANGES

As of the date of this report, the Company's equity shares are not listed on any stock exchange. Non-Convertible Debentures (NCDs) of the Company are listed on BSE Limited (BSE), while the Bonds issued by the Company are listed on India International Exchange (IFSC) Limited (India INX).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of the Company's business in India, risk management systems and other material developments during the year under review, as per **Annexure-I**.

Name & Contact Details of Debenture Trustees a.Beacon Trusteeship Limited 5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051 E-mail: contact@beacontrustee.co.in b. Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited) Unit No- 901, 9th Floor, Tower B, Penninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013 E-mail: dt.mumbai@ctltrustee.com

OTHER DISCLOSURE(S)

There are no details required regarding the difference between the valuation amount at the time of a one-time settlement and the valuation conducted when securing loans from banks or financial institutions, as the Company has not engaged in any settlements with banks or financial institutions since its inception.

ANNEXURE FORMING PART OF THIS REPORT OF DIRECTORS

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

a. Management Discussion & Analysis Report- Annexure I
b. Corporate Governance Report- Annexure II
c. Report on Corporate Social Responsibility - Annexure III

d. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure IV

e. Secretarial Audit Report- Annexure V

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere thanks to various organisations of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and other regulatory authorities for their continuous support, guidance, co-operation and assistance.

The Board of Directors is also thankful to the Statutory Auditors for their diligently conducted audit and to the team of employees for their dedicated and committed efforts and look forward to their continuous involvement in achieving common goals.

The Board of Directors is also thankful to the valued customers, partners, professionals, members/ shareholders, and debenture holders and well-wishers for the assistance and co-operation received and for their trust and support.

For and on behalf of the Board of Directors of Midland Microfin Limited

Amardeep Singh Samra
(Managing Director)
DIN: 00649442

Parveen Kumar Gupta
(Chairman- Independent)
DIN: 02895343

Date: 27th July, 2026
Place: Jalandhar

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

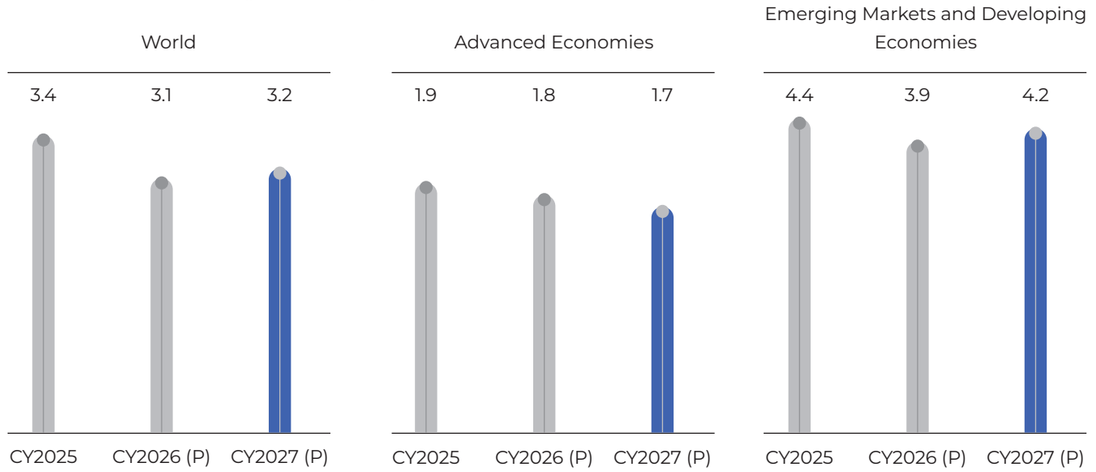
Global Economic Overview – Balancing Macro Headwinds with Disciplined Expansion

The global economy demonstrated strong resilience during CY2025, sustaining growth despite a volatile operating environment. The landscape was shaped by persistent geopolitical tensions, evolving trade relationships, sharp tariff escalations, shifting monetary policies, and uneven regional recoveries. However, economies broadly outperformed expectations, supported by AI-driven investment, easing inflation, and adaptive monetary policy. Amid this uncertainty, businesses and financial institutions worldwide focused on balancing growth with operational robustness.

According to the IMF's April 2026 World Economic Outlook, the economic momentum observed in CY2025 is expected to experience a temporary deceleration in CY2026 before undergoing a modest, gradual recovery in CY2027, albeit remaining below the levels recorded in CY2025. While growth remains positive, escalating risks from trade fragmentation, geopolitical developments, policy uncertainty, and financial market volatility could challenge this recovery.

In the near term, divergent growth paths will remain a major feature of the evolving economic outlook. Advanced economies are expected to face sluggish growth, constrained by policy uncertainty, trade tensions, and softening domestic demand. On the contrary, emerging markets and developing economies are expected to lead global expansion, supported by stronger domestic activity despite ongoing vulnerability to external shocks and macroeconomic volatility.

Real GDP Growth Projections (%)



P: Projected

(Source: IMF World Economic Outlook, April 2026)

Trade Routes, Tariffs, and a Changing Global Order

Global trade dynamics underwent further transformation during CY2025 as countries increasingly prioritised economic security, domestic manufacturing, and supply chain resilience. This shift, aggravated by evolving trade negotiations and renewed tariff measures implemented by major economies, fostered a more fragmented landscape, further complicating cross-border supply chain operations.

Consequently, multinational businesses prioritised supply chain diversification, shifting investments towards alternative manufacturing destinations and emerging markets. While this realignment unlocked expansion opportunities for several economies, it also introduced distinct structural complexities in global commerce and capital flows.

Geopolitical frictions further stressed international logistics, particularly in the Middle East. Ongoing disruptions in the Red Sea and heightened risks surrounding critical shipping routes such as the Strait of Hormuz led to periodic volatility in energy prices, freight rates, commodity markets, and global trade flows, prompting businesses to strengthen supply chain resilience and maintain greater operational flexibility.

Regional Economies Followed Different Paths

Throughout the year, economic performances remained varied across key regions.

The United States maintained resilience, supported by a strong labour market, sustained consumer spending, and strategic investments in infrastructure and technology. However, higher borrowing costs and tighter financial conditions acted as a headwind, moderating the pace of growth.

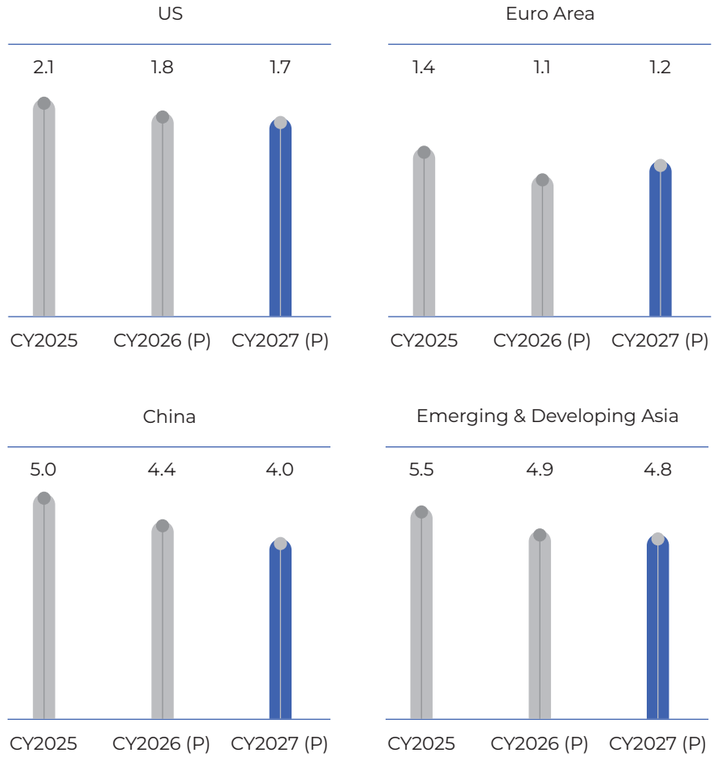
Europe, in contrast, experienced sluggish economic activity, constrained by softer industrial output, cautious consumer sentiment, and persistent energy-related pressures. This subdued performance remained uneven across member countries, reflecting differing fiscal conditions and varying exposure to shifting external demand.

In China, a gradual moderation in growth was witnessed as the economy navigated structural challenges within the property sector, paired with softer domestic demand and changing global trade dynamics. In response, policymakers deployed targeted fiscal and monetary interventions to stabilise growth and encourage investment.

Meanwhile, Emerging Asia solidified its position as the primary engine of global growth. The region's robust performance was supported by resilient domestic consumption, rapid urbanisation, persistent focus on infrastructure development, and favourable demographic trends.



Real GDP Growth Projections (%)



P: Projected

(Source: IMF World Economic Outlook, April 2026)



Inflation Eases, But Cost Pressures Remain

Global headline inflation is expected to increase from 4.1% in 2025 to 4.7% in 2026, before moderating to 3.9% in 2027. The upward revision from the April, 2026 forecast indicates that the disinflation trend that began in early 2024 has stalled.

Despite this positive macro-trajectory, households across multiple developing economies faced persistent pressure from heightened food, energy, transportation, and living costs. As a result, consumer spending patterns remained cautious, and household financial resilience continued to be tested.

For financial institutions serving low-income and underserved communities, inflation remains a key factor shaping credit dynamics, influencing borrowing behaviour, impacting repayment capacity, and affecting formal credit demand. Within this operating landscape, maintaining prudent underwriting practices and close customer engagement is essential to support sustainable financial inclusion.

Monetary Policy Enters a New Phase

Following an extended period of contractionary policy, several central banks began shifting towards a more accommodative stance during CY2025 as inflation steadily moderated.

Policy discussions focused on balancing inflation management with the need to support economic activity. Although interest rates remained above pre-pandemic levels in many markets, expectations of a gradual easing cycle improved global liquidity and strengthened investor sentiment. Simultaneously, governments deployed targeted fiscal interventions to sustain momentum. Public spending was channelled towards infrastructure development, employment generation and social welfare programmes, among others, to strengthen long-term growth trajectory.

Technology Continues to Redefine the World

Technological advancement remained a significant structural driver shaping the global economy. Artificial Intelligence (AI), advanced analytics, automation, and cloud infrastructure continued to transform business models across sectors.

Sustainability Moves Closer to the Core

Environmental, Social and Governance (ESG) considerations reshaped global financial markets. Investors, regulators, development institutions, and lenders increasingly seek to partner with organisations that demonstrate responsible business practices, robust governance, and measurable social impact.

This shift towards sustainable finance reflects a broader recognition that long-term value creation depends on the stewardship of economic, social, and environmental resources.

Global Implications for Inclusive Finance

The global operating environment for financial institutions is being reshaped by shifting macroeconomic conditions, evolving regulatory frameworks, accelerating digital adoption, and changing customer expectations. While sustained economic growth and financial inclusion initiatives continue to expand access to formal credit across emerging markets, persistent inflationary pressures, elevated interest rates, borrower affordability concerns, and rising indebtedness are redefining the industry's risk landscape.

Against this backdrop, inclusive finance has become a critical enabler of sustainable economic development. Expanding access to responsible and affordable financial services empowers underserved individuals, entrepreneurs, and small businesses to build livelihoods, strengthen resilience, and participate more meaningfully in economic growth.

As the sector evolves, institutions that balance financial inclusion with disciplined risk management, customer-centric innovation, digital capabilities, and strong governance will be best positioned to deliver sustainable growth while creating long-term value for all stakeholders.

Outlook

The global outlook remains cautiously optimistic but subject to elevated uncertainty. While moderating inflation, improving financial conditions, technological innovation, and continued investments support growth; performance is affected by geopolitical developments, trade fragmentation, commodity price volatility, and financial market uncertainties.

(Source: IMF World Economic Outlook, April 2026)

Despite these persistent headwinds, the long-term fundamentals driving financial inclusion, digital transformation, and economic participation across emerging markets remain intact. These structural trends will continue to favour responsible financial institutions that focus on underserved communities while maintaining disciplined growth and risk prudence.

Going forward, divergent growth paths across regions are expected to persist, with emerging markets continuing to outpace advanced economies. Inflation, while on a declining trajectory, is projected to remain above target in several economies through CY2026. Monetary policy is expected to remain data-dependent, with further easing contingent on inflation developments and evolving geopolitical conditions.



Midland's Strategic Response

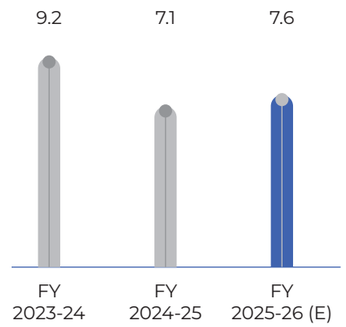
In response to the evolving operating environment, Midland Microfin prioritised portfolio quality, disciplined expansion, and operational resilience. We adopted a calibrated growth strategy, strengthening our presence in existing markets while selectively entering new geographies.

Recognising the need for portfolio diversification, we began evaluating secured lending segments to complement our core microfinance operations. Technology-enabled processes continued to support customer onboarding, loan servicing, collections, monitoring, and risk oversight, driving greater operational efficiency.

Amidst evolving regulatory expectations and a sharper stakeholder focus on responsible finance, our Company remains committed to strengthening governance practices, embedding ESG considerations across our operations, and advancing financial inclusion through a sustainable, customer-centric lending model.

Indian Economic Overview – Leading Global Growth through Sound Fundamentals

Real GDP Growth (%)



E: Estimated

(Sources: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219912&reg=3&lang=2

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233792&reg=3&lang=1 https://www.mospi.gov.in/uploads/latestReleases/latest_release_1772189865181_f040336d-bc57-4aed-b80f-586d9ccb279e_Press_Note_on_New_Series_of_GDP_Estimates_with_Base_Year_2022-23_27022026.pdf

https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2026/04/decoding-the-indian-economy-2026.pdf)

India's macroeconomic resilience was a global standout in FY 2025-26, with the nation consolidating its position among the world's fastest-growing major economies despite heightened geopolitical frictions, tariff-related uncertainties, trade disruptions, and uneven global growth.

According to official estimates, India's real GDP growth accelerated to a stellar 7.6% in FY 2025-26, up from 7.1% the previous fiscal. This performance was driven by a slew of robust domestic pillars, including rising demand, growing investments, a recovery in rural consumption, and targeted policy interventions that effectively cushioned the economy from external volatility while helping sustain broad-based growth.



Consumption and Investment Powered Growth

Private consumption was the prime enabler of economic activity during the year, with Private Final Consumption Expenditure (PFCE) growing by 7.7%. This growth momentum was supported by steady rural consumption and a gradual recovery in urban demand, aided in part by income tax relief measures and GST rationalisation. Government final consumption expenditure also remained stable, contributing 6.6% to overall economic activity. Government expenditure continued to support growth, while fixed investment remained robust, reflecting sustained infrastructure thrust, manufacturing expansion, and increasing private sector participation.

Compared to the previous year, the growth profile of India achieved a greater balance in FY 2025-26. Private investment seamlessly complemented public capital expenditure, strengthening the sustainability and resilience of the nation's medium-term growth trajectory.

Source: RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026

Sectoral Performance Reinforced Economic Momentum

Economic expansion was supported by synchronised momentum across key supply side engines, spanning manufacturing, construction, financial services, trade, transport, communication, mining and quarrying and other services. Industrial activity accelerated alongside a dominant services sector, which remained a key contributor to output growth, buoyed by digitalisation, financial sector expansion, and rising consumer spending. Meanwhile, manufacturing sector capitalised on resilient domestic demand, paired with structural tailwinds arising from localisation initiatives and supply chain diversification. Reflecting this sustained business optimism, the manufacturing and services PMIs remained firmly in expansion territory during most of the year, an affirmation of continued business confidence, steady demand conditions, and improving economic activity.

Source: RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026

Investment-led Development is Expanding Economic Opportunities

India's growth momentum remains supported by sustained public and private investments. The Union Budget FY 2026-27 maintained a strong focus on capital expenditure, elevating public capex to approximately INR 12.2 lac Cr., compared to INR 2 lac Cr. a decade ago. This targeted fiscal allocation towards freight corridors, logistics infrastructure, urban development, waterways, manufacturing ecosystems, and regional connectivity projects is strengthening economic activity across urban and rural regions.

Complementing this public expenditure, strategic industrial policies, including the Production Linked Incentive (PLI) schemes, India Semiconductor Mission 2.0 and Electronics Components Manufacturing Scheme continue to fortify the domestic ecosystem. Paired with dedicated chemical parks, industrial cluster development programmes, and MSME-focused initiatives, these targeted interventions are serving as vital catalysts for attracting private investment. The resulting rise in Gross Fixed Capital Formation (GFCF) is supporting employment generation, entrepreneurship, and income creation across the economy.

For financial institutions focused on inclusive finance, these developments are particularly significant as they generate fresh livelihood opportunities, support micro and small enterprises, and expand the demand for formal credit across underserved and emerging markets.

Source: RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026; Union Budget 2026-27

Trade and Export Momentum Remained Resilient

Despite global trade uncertainties and tariff-related disruptions, India's external sector remained resilient. Merchandise exports expanded during FY 2025-26, led by high-value electronics and engineering sectors among others, while services exports sustained their robust upward momentum.

To cement this positioning, India propelled its global trade footprint by concluding landmark trade agreements with the United Kingdom, European Union, New Zealand, and Oman during FY2025-26, collectively set to bolster export competitiveness and expand market access across key global regions.

RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026

India Continued to Attract Global Investment

Backed by robust fundamentals, sustained policy reforms, and sound long-term growth prospects, India sustained its position as an attractive destination for global capital. Foreign direct investment intensified across technology, manufacturing, electronics, and services, including financial services, supported by capital from an increasingly diversified global base.

Moving forward, ongoing trade negotiations and initiatives aimed at improving ease of doing business are expected to accelerate these strategic investment inflows.

Source: DPIIT; KPMG Decoding the Indian Economy FY2026

Digital Transformation is Expanding Financial Access

India's Digital Public Infrastructure (DPI) remains a cornerstone for economic formalisation and expanded financial access. The rapid adoption of interoperable payment systems, Aadhaar-enabled services, and data-sharing platforms is driving efficiencies and transparency across underserved regions. Simultaneously, digital adoption is enabling greater accessibility across financial services delivery.

The enterprise-wide integration of AI and data analytics is further amplifying productivity, strengthening risk assessment, and improving financial inclusion outcomes. Through sustained, strategic investments in technological innovation and robust digital ecosystems, India continues to strengthen its leadership position within the global digital economy.

Source: RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026; Union Budget 2026-27

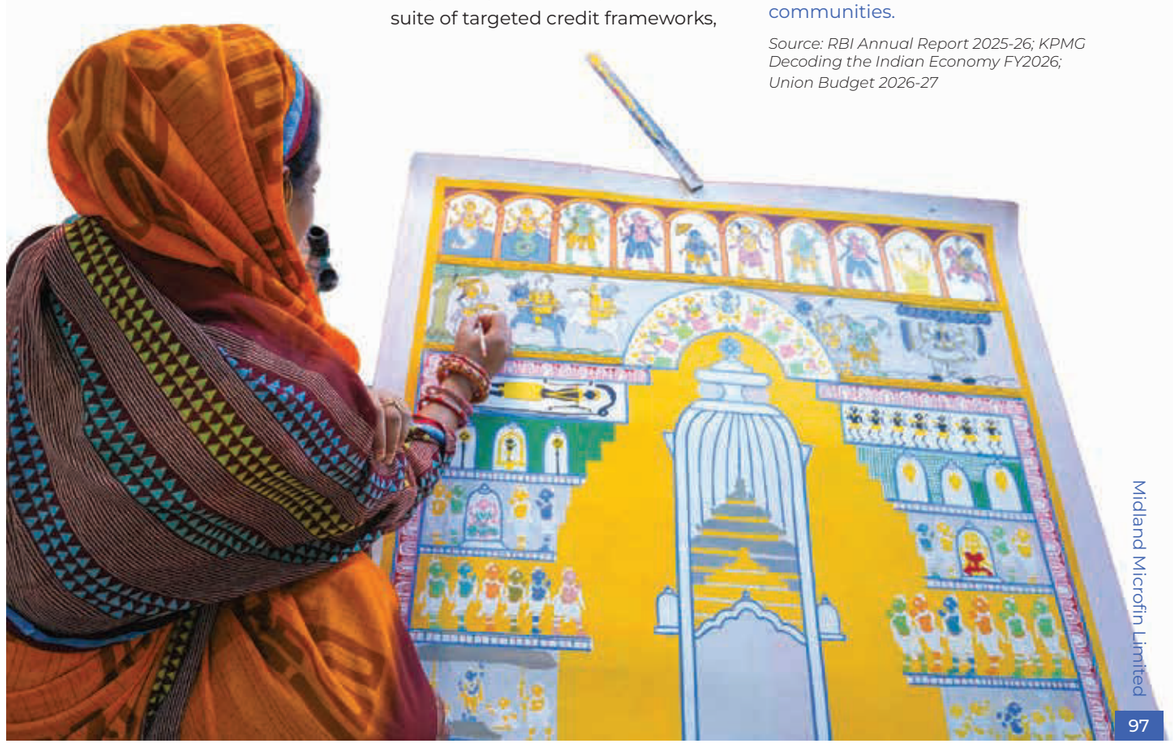
Financial Inclusion Continues to Deepen Economic Participation

India's financial inclusion ecosystem continued to strengthen through the convergence of Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhaar, mobile connectivity, Unified Payments Interface (UPI), Direct Benefit Transfers (DBTs), and Digital Public Infrastructure (DPI). This systemic evolution is validated by the steady upward trajectory of the RBI's Financial Inclusion Index, signifying sustained improvements in access, usage, and quality of financial services.

Simultaneously, the Government has put in place a comprehensive suite of targeted credit frameworks, including the MUDRA Yojana, Stand-Up India, PM SVANidhi, National Rural Livelihoods Mission (NRLM), Udyam Assist Platform, MSME formalisation programmes, digital lending platforms, and credit-enhancement schemes. These interventions are designed to support grassroots entrepreneurship, encourage women-led businesses, create self-employment opportunities, drive rural livelihoods, and widen access to formal credit. Despite these targeted initiatives, India's MSME sector faces an addressable credit gap of approximately USD 213-266 Billion, highlighting a substantial, high-yield opportunity for financial institutions focused on inclusive lending.

Complementing these efforts, Government programmes supporting agriculture, fisheries, animal husbandry, horticulture, women-led enterprises, and rural entrepreneurship continue to strengthen income generation opportunities across underserved communities.

Source: RBI Annual Report 2025-26; KPMG Decoding the Indian Economy FY2026; Union Budget 2026-27



Inflation Moderated and Monetary Conditions Turned Supportive

India's inflation trajectory improved significantly during FY 2025-26, supported by easing food prices, favourable base effects, and stable supply conditions. According to the Reserve Bank of India (RBI), headline CPI inflation declined sharply to 2.1% in FY 2025-26, following a moderation from 5.4% in FY 2023-24 to 4.6% in FY 2024-25. The sustained easing in inflation, supported by softer food prices and improved supply-side conditions, strengthened macroeconomic stability, enhanced household purchasing power, and reinforced consumer confidence.

In alignment with these abating price pressures, the RBI initiated its monetary easing cycle. implementing a cumulative 125-basis-point reduction in the repo rate during FY 2025-26, signalling a more supportive policy stance aimed at sustaining economic growth and liquidity conditions.

These lower borrowing costs, alongside improving liquidity conditions as growth is set to accelerate credit transmission across the financial landscape. For households, micro-enterprises, and small businesses, these improving financial conditions will stimulate investment activity, support consumption, and drive entrepreneurship.

Source: RBI Annual Report 2025-26; RBI Monetary Policy Statement, April 2026

Outlook

India's macroeconomic trajectory remains resilient despite escalating geopolitical frictions, global trade disruptions, and commodity price volatility. For FY 2026-27, the RBI projects real GDP growth at 6.8-7.2%, with sound domestic demand, accelerated public-private investments, and improving rural consumption sustaining this momentum.

At the same time, continued policy emphasis on financial inclusion, entrepreneurship development, MSME growth, and digital public infrastructure is driving systemic formalisation and wider economic integration. Combined with robust demographic tailwinds and structural reforms, these enablers are placing India on a sustainable, long-term growth trajectory while unlocking broad-based, inclusive economic value.

(Sources: https://www.indiabudget.gov.in/

https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2026/04/decoding-the-indian-economy-2026.pdf

https://www.mospi.gov.in/uploads/latestReleases/latest_release_1772189865181_f040336d-bc57-4aed-b80f-586d9ccb279e_Press_Note_on_New_Series_of_GDP_Estimates_with_Base_Year_2022-23_27022026.pdf

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62599)

INDUSTRY OVERVIEW

Microfinance Sector

India's microfinance industry entered an early phase of revival during FY 2025-26, following the sharp correction witnessed in the preceding fiscal year. Supported by strong regulatory oversight and the role of Self-Regulatory Organizations (SRO), the industry has navigated one of its most challenging periods in recent years. The microfinance universe Gross Loan Portfolio (GLP) stood at INR 325,174 Cr. as of 31st March, 2026, having degrown by 13.3% with 10.7 Cr. loan accounts. This contraction reflects widespread portfolio rationalisation alongside a significant institutional shift, driven primarily by commercial banks reclassifying certain microfinance portfolios into retail lending categories. Despite moderation in portfolio growth and borrower outreach, the industry maintained its vast footprint, pivoting towards higher-ticket, better-quality lending and improved asset quality.

The NBFC-MFI sector witnessed a strong recovery in disbursement activity during Q4 FY 2025-26, with total disbursements rising 31.8% year-on-year to INR 37,705 Cr., compared to INR 28,611 Cr. in Q4 FY 2024-25. The average loan size also increased to INR 59,499, representing a 15.6% year-on-year growth, reflecting improving credit demand and higher ticket-size lending across the sector.

Key Metrics (March 2026)

INR **3,25,174** Cr.	INR **6.4** Cr.	INR **10.1** Cr.	**721**
Gross Loan Portfolio (GLP)	Unique Borrowers	Active Loan Accounts	Districts Covered

Source: MFIN 57th edition of Micrometer for Q4 FY 2025-26

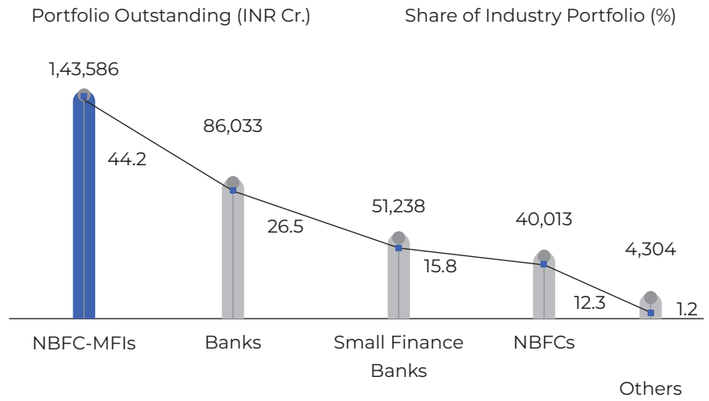
Digital Revolution and Financial Inclusion

India's Digital Transformation Continues to Accelerate

- India maintains its position as a global leader in digital payments, supported by continued growth in UPI transaction volumes and digital financial services
- Rapid adoption of digital onboarding, Aadhaar-enabled services, e-KYC infrastructure, and real-time payment systems enhance financial inclusion
- Government-backed initiatives, including direct benefit transfers, social security participation, and digital banking frameworks, continue to integrate underserved populations into the formal financial ecosystem
- Microfinance operations remain pivotal in channelling credit to low-income households, women entrepreneurs, and underserved communities
- Data-driven credit assessment and alternative credit scoring models are expanding the formal credit universe by enabling more accurate evaluation of thin-file and first-time borrowers
- Aadhaar-enabled KYC and account aggregator frameworks are significantly reducing customer acquisition costs, enabling institutions to extend reach to previously inaccessible geographies and underserved borrower segments
- While cash remains the predominant collection mode, UPI-based repayments are increasingly being adopted by borrowers in semi-urban and urban markets, gradually improving collection efficiency and reducing operational costs for institutions
- Data driven credit assessment and alternative credit scoring models are expanding the formal credit universe by enabling more accurate evaluation of first-time borrowers

Industry Structure and Portfolio Composition

Micro-Credit Loan Outstanding by Lender Category (March 2026)



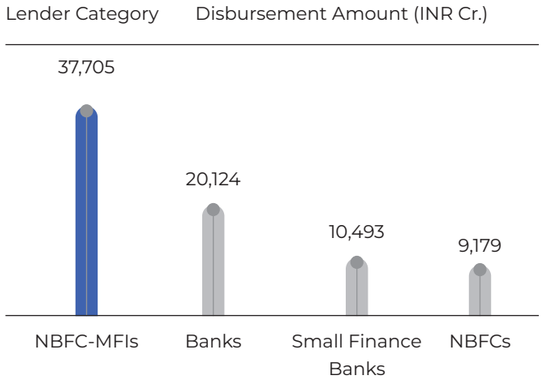
Source: MFIN 57th edition of Micrometer for Q4 FY 2025-26

NBFC-MFIs cemented their position as the primary engine of micro-credit delivery, commanding the largest industry share at over 44% of the total portfolio. Banks remained the second-largest category, although portfolio balances moderated due to reclassification of specific exposures.

Disbursement Trends

Despite continued focus on portfolio quality and prudent growth, disbursement activity improved significantly during the fourth quarter.

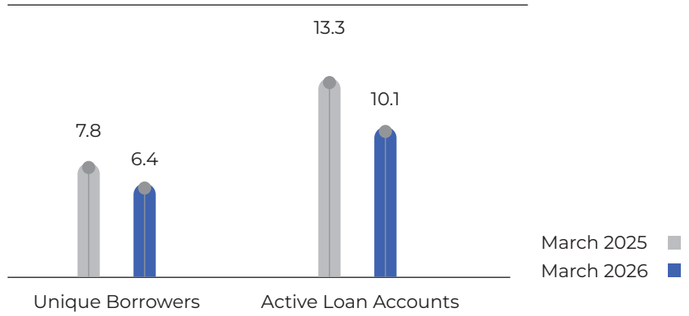
Q4 FY 2025-26 Disbursements



Source: MFIN 57_Micrometer Q4 FY 2025-26

The rebound in disbursements reflects improving lender confidence, stronger credit discipline, and a gradual normalisation of sector dynamics.

Borrower Profile and Credit Discipline (Cr.)



Source: MFIN 57th edition of Micrometer for Q4 FY 2025-26

The industry continues to shift towards larger average ticket sizes, more selective borrower acquisition, and improved borrower quality. By prioritising rigorous asset health over aggressive volume expansion, the sector is establishing a more resilient credit environment conducive to sustainable growth.

Industry Trends and Portfolio Realignment

Outreach Trends

Indicator	March 2025	March 2026	Change (%)
Unique Borrowers (Cr.)	**7.8**	**6.4**	**(18.0)**
Active Loan Accounts (Cr.)	**13.3**	**10.1**	**(24.1)**
GLP (INR Cr.)	**3,75,030**	**3,25,174**	**(13.3)**

Source: MFIN 57th edition of Micrometer for Q4 FY 25-26

The reduction in borrower counts and active loan accounts reflects tighter underwriting standards, borrower-level risk controls, and industry-wide efforts to improve portfolio quality.

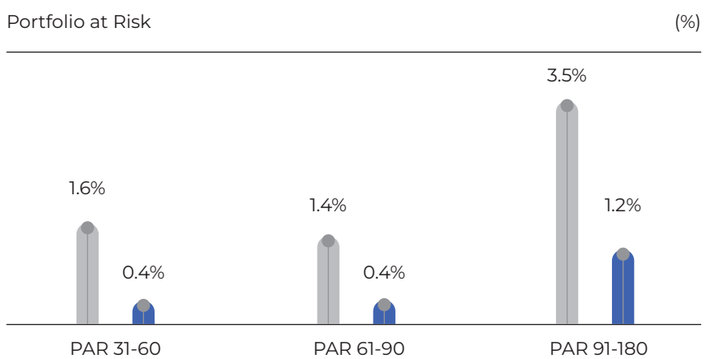
Regional Distribution

Portfolio Distribution by Region (March 2026)

Source: MFIN 57th edition of Micrometer for Q4 FY 2025-26

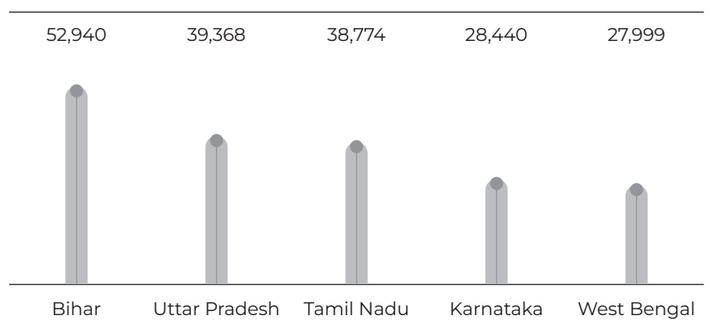
The East and North-East region sustained their dominant share of the industry portfolio, followed by the South. This regional mix remained broadly stable despite ongoing industry-wide portfolio rationalisation.

Asset Quality Improvement



Asset quality improved substantially across all delinquency buckets during FY 2025-26, reflecting stronger credit discipline, portfolio clean-up initiatives, and reduced borrower overleveraging.

Top States by Portfolio Outstanding (INR Cr.)



These five states collectively account for a significant share of the industry's portfolio and borrower base.

Source: MFIN 57th edition of Micrometer for Q4 FY 2025-26

Outlook

The microfinance sector stands on a stronger structural foundation today than at any point in recent history. A comprehensive regulatory framework by RBI, SROs' guardrails on borrower indebtedness, lender caps, and underwriting standards, has meaningfully enhanced sector discipline and borrower protection. Complementing this, the Government's Credit Guarantee Scheme for Microfinance Institutions 2.0 (CGSMFI-2.0), introduced in March 2026, provides guarantee cover of up to INR 20,000 Cr., with the maximum loan limit for large NBFC-MFIs significantly enhanced from INR 300 Cr. to INR 1,000 Cr., improving access to institutional funding at competitive rates.

The sector is now entering a measured growth phase, characterised by stronger portfolio quality, disciplined underwriting, responsible lending practices, and technology-led credit assessments. Early signs of recovery in asset quality and collections, visible in H2 FY 2025-26, signal that the corrective cycle has largely run its course. While borrower outreach and portfolio growth moderated during FY 2025-26, rising average ticket sizes and strengthening credit discipline indicate a structural transition towards sustainable growth. Propelled by an ever-expanding digital infrastructure footprint and wider financial inclusion initiatives, the sector remains well-positioned to support underserved communities while maintaining prudent risk management standards.



Opportunities and Threats in the Microfinance Sector

Opportunities

Deepening Financial Inclusion

Continued government focus on financial inclusion through PMJDY, UPI, Digital Public Infrastructure, MUDRA, PM SVANidhi and SHG-led financing is expanding access to formal credit among underserved households, women entrepreneurs and micro-enterprises.

Rising Credit Demand from Rural and Semi-urban India

Resilient rural consumption, scaled livelihood initiatives, and expanding entrepreneurial activity add further momentum to the demand for small-ticket credit across underserved markets.

Accelerating Digital Transformation and Data-led Lending

Growing adoption of digital onboarding, AI-enabled analytics, e-KYC, digital collections and alternative credit assessment tools is augmenting operational efficiency and risk management capabilities.

Ongoing Policy Support for Sector Recovery

The extension of CGSMFI-2.0 and enhancement of loan limits under the scheme are expected to improve credit flow and funding access across the sector.

Threats

Borrower Over-leverage and Credit Discipline

Multiple lending relationships and elevated household indebtedness in certain geographies remain key risks to repayment behaviour, portfolio quality and sustainable credit growth.

Regional Concentration Risks

Concentrated exposure in select states increases vulnerability to localised disruptions arising from political, climatic, economic, or regulatory developments.

Funding Access and Liquidity Constraints

While funding conditions may have improved for larger institutions, securing timely and cost-effective credit still remains a challenge for smaller and mid-sized MFIs.

Regulatory and Compliance Expectations

Strengthening regulatory oversight, responsible lending requirements, customer protection norms and governance expectations may increase compliance obligations and operating costs.

Opportunities

Growing Formalisation of the MSME Ecosystem

India's sizeable MSME credit gap, increasing formalisation and expanding digital financial infrastructure present long-term growth opportunities for inclusive lenders.

Consolidating to Foster Market Opportunities

Strategic consolidation and stringent quality controls will strengthen sector stability while unlocking growth opportunities for well-governed and adequately capitalised institutions.

Expanding Portfolio Diversification Opportunities

As the regulatory framework governing Qualifying Assets (QAs) evolves, institutions have greater flexibility to diversify their portfolios while remaining aligned with priority sector and financial inclusion objectives. By expanding into secured lending, MSME financing, affordable housing, and other complementary lending segments, institutions can broaden income streams, strengthen portfolio resilience, and reduce dependence on traditional group lending models.

Threats

Margin Pressures and Rising Operating Costs

Competition, technology investments, compliance costs, and funding dynamics may strain profit margins across the sector.

Slower Growth due to Tighter Underwriting

Enhanced credit assessments, borrower-level guardrails, and stricter underwriting standards may moderate near-term portfolio expansion while securing long-term sustainability.

Livelihood and Climate Vulnerabilities

Borrower cash flows remain susceptible to monsoon variability, agricultural income fluctuations, inflationary pressures, and climate-related events, potentially affecting repayment capacity.

Company Overview

Midland Microfin Limited 'MML', 'Our Company' or 'We') is a systemically important non-deposit-taking Non-Banking Financial Company (NBFC-ND-SI) registered under the RBI's Scale-Based Regulation framework. Operating through a robust network of 613 branches across 16 states and 2 Union Territories, we empower over 10 Lakhs active borrowers as of 31st March 2026. With Assets Under Management (AUM) reaching INR 3,207.85 Cr., we continue to strengthen our presence across rural and semi-urban markets, propelling financial inclusion for low-income households, women borrowers, and micro-entrepreneurs.

During the year, the Company further expanded its geographic footprint by entering Assam, Maharashtra, Chhattisgarh and Andhra Pradesh, reinforcing its commitment to extending financial access to underserved communities across India.

Building a Diversified Lending Franchise

Driven by a core commitment to income generation, enterprise development, and household resilience, our lending model remains highly target-oriented. During FY 2025-26, we maintained a well-diversified portfolio comprising Joint Liability Group (JLG) loans, individual enterprise loans, MSME financing, and other livelihood-focused lending products. Operational execution remained robust, with annual disbursements reaching INR 2,859.62 Cr., supported by a X-Bucket Collection Efficiency of 99.9% and a Gross NPA of 1.99%. As part of our long-term growth strategy, we continue to explore portfolio diversification opportunities and optimise our product offerings.



Scaling Operations through Technology

Technology remains a pivotal strategic driver in enhancing our operational efficiency, customer experience, and risk management capabilities. We have integrated digital processes across customer onboarding, credit assessment, collections, portfolio monitoring, and employee productivity management. These initiatives optimised turnaround times, bolstered operational controls, sharpened oversight, and unlocked greater scalability across our business footprint.



Advancing Inclusion through Women-Centric Lending

Women constitute the core of our borrower base, accounting for approximately 99% of the total customer portfolio. By expanding access to formal finance, we catalyse entrepreneurship, income generation, and economic participation. Moving beyond credit delivery, we promote financial awareness, livelihood enhancement initiatives, and community welfare programmes to build long-term household resilience.

Our approach extends beyond credit delivery to creating sustainable social impact through responsible and inclusive financial services. We promote financial literacy and responsible borrowing practices, enabling customers to make informed financial decisions and build long-term financial resilience. Recognising that financial inclusion is closely linked to overall quality of life, we also support community welfare initiatives focused on health, education, livelihood enhancement and need-based assistance for underserved communities.

The Company also facilitates access to clean energy solutions by financing solar products, helping households adopt cleaner and more affordable sources of energy while reducing dependence on conventional fuels. During FY 2025–26, over 17,000 solar products were financed, further advancing both financial inclusion and environmental sustainability.

Our customer-first approach is reinforced by a responsive grievance redressal mechanism, with around 99% of customer complaints resolved within prescribed turnaround timelines during the year, reflecting our commitment to responsible finance and customer protection.





Strengthening Human Capital and Organisational Capability

Our workforce remains central to our ability to serve customers effectively across diverse geographies. As of 31st March 2026, Midland employed 5,949 individuals across its operations. Throughout the year, we continued to strengthen organisational capability through structured learning programmes, leadership development initiatives, performance management systems, and employee engagement efforts that foster a high-performing, customer-centric culture.

Learning and capability development remained a key priority during the year, with employees participating in classroom, virtual, and field-based learning interventions, including induction programmes, specialised technical training, mentoring by Subject Matter Experts (SMEs), employee development workshops, and counselling-led performance improvement initiatives. Collectively, these efforts delivered 5,376 training hours, reinforcing professional development across the organisation.

Leadership development programmes were conducted for Branch Managers, Cluster Managers, Regional Managers, Hub Leaders, newly promoted supervisors, and high-potential employees. These programmes focused on people management, governance, compliance, business planning, succession planning, leadership readiness, mentoring support, and talent review processes. Senior leaders also participated in prestigious external forums and institutions to gain exposure to industry best practices, while specialised Excel, analytics and soft skills programmes strengthened data-driven decision-making and managerial capabilities.

Employee engagement remained an integral part of Midland's people strategy. Initiatives such as the HR Chronicle communication programme, HR Connect, the Aarambh onboarding programme, town halls, leadership interactions, employee connect initiatives, rewards and recognition programmes, resignation counselling, wellbeing workshops, meditation and mindfulness sessions, employee development programmes in collaboration with Chitkara University, and technology-enabled support through the HRone platform helped strengthen communication, employee wellbeing, and workplace engagement.

The Company reported an attrition rate of 30.63% during the year. As on 31st March 2026, the workforce comprised 91% male and 9% female employees. Midland continued to strengthen workforce diversity through focused hiring of women professionals, equal opportunity employment practices, leadership development opportunities, employee-friendly policies, and robust POSH compliance measures.

Reflecting its sustained commitment to building an inclusive and high-trust workplace, Midland was recognised as a Great Place to Work® Certified organisation for the seventh consecutive year and was also recognised among India's Top 75 Best Workplaces in BFSI.



Governance and Risk Management as Strategic Enablers

Midland's governance and risk management framework evolves continuously to meet rising regulatory standards and stakeholder expectations. Supported by an experienced Board of Directors and a robust control environment, we maintain stringent discipline across credit risk management, compliance, customer protection, and responsible lending. During the year, stronger governance processes, advanced risk oversight mechanisms, and stricter operational controls were implemented to safeguard sustainable long-term growth.



Financial Performance

(in INR Million, unless otherwise stated)

Particulars	FY 2025-26	FY 2024-25	Y-o-Y %
Interest Income on Loans	5,581.53	5,699.38	-2.07%
Interest Income from Other Sources	291.14	338.36	-13.96%
Fee and Other Income	602.26	326.79	84.30%
Total Income	6,474.93	6,364.54	1.73%
Finance Cost	2,782.27	2,721.79	2.22%
Operating Expenses	2,422.94	1,979.91	22.38%
Pre-Provisioning Operating Profit	1,269.72	1,662.84	-23.64%
Credit Cost/Impairment Losses	851.90	1,336.23	-36.25%
Profit Before Tax	417.82	326.61	27.93%
Tax Expense	70.17	59.88	17.18%
Profit After Tax	347.64	266.73	30.33%
Basic EPS (INR/Share)	6.64	5.56	19.42%
Diluted EPS (INR/Share)	5.79	5.10	13.53%

Key Ratios and Metrics

Particulars	FY 2025-26
Return on Average AUM (%)	1.19%
Return on Average Equity (%)	5.34%
Net Interest Margin (%)	12.06%
Operating Expense to Average AUM (%)	8.34%
Cost-to-Income Ratio (%)	43.41%
Gross NPA (%)	1.99%
Net NPA (%)	0.64%
Capital Adequacy Ratio (%)	29.44%
Debt-to-Equity Ratio (x)	4.01
X-Bucket Collection Efficiency (%)	99.9%

Strategic Enablers Supporting Sustainable Growth

Technology-led Execution

Leveraging digital platforms, analytics-driven monitoring tools, automated workflows, and real-time dashboards to strengthen customer onboarding, portfolio surveillance, collections, and operational decision-making.

Disciplined Risk Management

Maintaining robust risk governance frameworks across credit, operational, compliance, liquidity, and emerging functions through portfolio tracking, early warning mechanisms, and responsible lending practices.

Diversified Funding Franchise

Sustaining sound relationships with a broad network of banks, financial institutions, development finance institutions, and other capital providers to secure structural funding resilience and business continuity.

Operational Excellence and Scalability

Deploying standardised processes, centralised support functions, strong internal controls, and technology-enabled operations to drive execution efficiency, service consistency, and strict regulatory compliance across the branch network.

Customer-centric Approach

Delivering accessible financial solutions through responsive service channels, transparent grievance redressal mechanisms, customer awareness initiatives, and strong field-level engagement.

Experienced Leadership and Local Market Expertise

Leveraging a seasoned management team and an extensive field network to gather an extensive understanding of customer segments, regional dynamics, and grassroots lending ecosystems.

People and Capability Development

Investing continuously in structured talent training, leadership development, performance management systems, and workforce engagement to build a future-ready organisation.

Strong Governance Foundation

Upholding independent Board oversight, comprehensive policy frameworks, ethical business practices, and a culture of accountability to strengthen growth pathways and stakeholder trust.

Cybersecurity and Information Security

Cybersecurity remained one of the Company's highest strategic priorities during the year. In alignment with RBI Master Directions, CERT-In advisories, and industry best practices, Midland continued strengthening its cyber resilience through investments in preventive, detective, and responsive security controls.



Major initiatives undertaken include:

- Implementation and enhancement of Endpoint Detection and Response (EDR) across corporate endpoints for continuous threat monitoring and rapid incident response
- Strengthening Security Operations Centre (SOC) monitoring through centralised log collection, event correlation, and continuous security monitoring
- Periodic Vulnerability Assessment and Penetration Testing (VAPT) of critical applications and infrastructure
- Implementation of stronger identity and access management controls, including Multi-Factor Authentication (MFA), privileged access monitoring, and password governance
- Enhanced email security controls to protect against phishing, malware, and business email compromise
- Continuous cybersecurity awareness programmes and phishing simulation exercises for employees
- Strengthening data protection controls through encryption, secure backups, endpoint protection, and data loss prevention measures
- Alignment of cybersecurity governance with RBI Information Technology Governance Framework, CERT-In directions, and emerging Digital Personal Data Protection (DPDP) requirements

Internal Audit

The Internal Audit function offers independent and objective assurance on the effectiveness of Midland's governance, risk management, internal controls, and compliance framework. Reporting functionally to the Audit Committee of the Board, the function follows a Risk-Based Internal Audit (RBIA) approach to evaluate key business processes and optimise operational performance.

As of 31st March 2026, the Internal Audit function was led by Mr. Amit Kumar Rathi, supported by a team of 85 audit professionals. During FY 2025-26, the team conducted 779 independent audits, achieving 100% audit coverage across branches, regional offices, and key corporate functions.

During the year, the Company strengthened its assurance framework through the implementation of the MidFin Audit Application and an enhanced RBIA Framework, enabling technology-driven audits, real-time monitoring, digital evidence capture, and improved audit quality. Audit observations are tracked through a structured follow-up process until closure, ensuring accountability, stronger internal controls, regulatory compliance, and continuous improvement across the organisation.

Internal Controls

Midland maintains a comprehensive internal control framework integrated across all business units to ensure operational efficiency, regulatory compliance, risk management, and financial integrity. It is monitored through internal audits, management reviews, and compliance assessments.

Governing all core functions, this framework ensures that loan origination, underwriting, disbursement, collections, fund management, customer servicing, and financial reporting strictly abide by defined policies, Standard Operating Procedures (SOPs), delegated authority frameworks, and maker-checker controls. Timely risk mitigation is ensured through continuous monitoring and exception reporting mechanisms.

Furthermore, we continue to strengthen our control environment through process standardisation, technology-enabled monitoring, regulatory oversight, and periodic control testing to drive lasting growth.

Key Internal Audit Initiatives during FY 2025-26

Audit Digitalisation & Automation

The Company initiated the implementation of the MidFin Audit Application based on the Risk-based Internal Audit (RBIA) framework. The platform is designed to streamline the audit lifecycle through standardised workflows, centralised documentation, audit observation tracking, and real-time MIS, thereby enhancing audit efficiency and governance.

Process Strengthening

The Internal Audit function enhanced its audit methodology by standardising audit procedures, strengthening audit documentation, refining audit checklists, and improving the monitoring and closure of audit observations to ensure consistency and effectiveness across audit engagements.

Governance & Compliance Enhancement

The Company continued to strengthen its internal control environment through periodic compliance reviews, timely reporting of significant audit observations to Management and the Audit Committee, and systematic follow-up on corrective actions to reinforce governance and regulatory compliance

Risk Management Framework

Midland manages operational risks through an integrated framework focused on identifying, assessing, monitoring, and mitigating exposures to support sustainable growth and strict regulatory compliance.

Risk Category	Risk Management Approach
Credit Risk	Portfolio monitoring, centralised underwriting, customer-level exposure checks, early warning systems, collection oversight, and post-disbursement monitoring
Liquidity Risk	Liquidity buffers, cash flow forecasting, diversified funding sources, and contingency funding plans
Interest Rate Risk	Asset-liability monitoring, interest rate sensitivity assessment, and periodic stress testing
Operational Risk	SOP-based controls, process audits, incident reporting, business continuity planning, and vendor risk management
Compliance & Regulatory Risk	Regulatory monitoring, compliance reviews, policy governance, and oversight by dedicated compliance teams
Information Security & Cyber Risk	Cybersecurity controls, access management, security monitoring, vulnerability assessments, and employee awareness programmes
Strategic Risk	Periodic business reviews, market assessments, growth strategy evaluation, and scenario planning
ESG & Reputational Risk	Responsible lending practices, stakeholder engagement, governance oversight, and customer protection mechanisms

Driving Efficiency through Digital Innovation

Technology remains a vital driver for strengthening operational efficiency, customer experience, corporate governance, and risk mitigation at Midland. During FY 2025-26, we consistently invested in digital initiatives aimed at streamlining credit processes, sharpening internal controls, boosting customer engagement, bolstering data management, amplifying information security, and upholding regulatory compliance.

Key Technology Initiatives during FY 2025-26

- Introduced a Centralised Ticketing Module to streamline customer grievance management with enhanced visibility and process efficiency
- Generated a Unique Ticket ID for every customer complaint, ensuring complete traceability, seamless tracking, and effective monitoring
- Enabled Automated SMS Acknowledgements and Closure Notifications to keep customers informed at the time of complaint registration and resolution
- Implemented a Branch-level Complaint Registration Process, empowering branches to directly log, manage, and monitor customer grievances
- Launched Customer Satisfaction (CSAT) Surveys through IVR after complaint closure to capture customer feedback and continuously improve service quality
- Introduced Customer Self-Service Complaint Registration through the Customer Service Mobile App, providing customers with a convenient digital channel to raise and track grievances
- Implemented Guardrails 2.0 to strengthen operational controls, governance, and process compliance across key business functions
- Deployed Face Match E-Signature to enhance digital authentication, improve security, and enable a seamless customer onboarding and documentation process
- Rolled out the Dista Field Tracking Application to improve field force visibility, monitoring, and operational efficiency
- Implemented Operational and Credit Dashboards on Tableau BI to enhance data visibility, enable real-time performance monitoring, and support faster, data-driven decision-making
- Implemented an enterprise-wide Compliance Monitoring Tool integrated across various functions of the organisation, enabling centralized tracking, monitoring, and timely closure of regulatory and internal compliance requirements
- Enhanced governance processes through the adoption of technology-driven solutions for the management and monitoring of System-driven Disclosures, improving accuracy, transparency, and regulatory adherence
- Successfully deployed and operationalised advanced Anti-money Laundering (AML) solutions, including Sanction Screening and Politically Exposed Persons (PEP) Screening systems, to strengthen customer due diligence and regulatory compliance processes
- Leveraged technology to enhance risk identification, monitoring, and reporting capabilities, thereby improving the Company's overall compliance and risk management framework
- Continued investment in regulatory technology solutions to support evolving compliance requirements and strengthen internal controls

These initiatives reflect the Company's commitment to leveraging technology for enhancing operational resilience, regulatory compliance, risk management, and stakeholder confidence.

Investing in Future-Ready Technology Platforms

Midland continues to invest in scalable, cloud-enabled, API-driven, and digitally integrated technology platforms that support business expansion while improving operational efficiency, customer service, regulatory compliance, and enterprise resilience.

Technology investments are focused on creating an integrated digital ecosystem that enables faster customer onboarding, intelligent credit assessment, seamless collections, improved operational visibility, stronger cybersecurity, and data-driven decision-making.

Ongoing/Planned Technology Projects

Customer and Digital Experience

- Enhancement of the MidFin Customer Service App with self-service capabilities, digital loan servicing, payment tracking, and customer engagement features
- Expansion of paperless customer onboarding through enhanced e-KYC, digital document management, e-signature integration, and multilingual digital interfaces

Credit and Risk Analytics

- Deployment of AI-assisted credit analytics using bureau intelligence, customer behaviour analytics, and automated risk scoring models
- Strengthening portfolio monitoring through predictive analytics, early warning indicators, delinquency forecasting, and risk dashboards

Process Automation and Productivity

- Expansion of workflow automation across loan processing, compliance monitoring, vendor management, finance operations, and internal approvals
- Adoption of intelligent automation and robotic process automation (RPA) to reduce manual effort, improve productivity, and minimise operational errors

Cybersecurity and Infrastructure

- Migration of strategic workloads to secure cloud infrastructure while strengthening governance, resilience, and business continuity capabilities
- Enhancement of Security Information and Event Management (SIEM), Endpoint Detection & Response (EDR), vulnerability management, privileged access controls, and Zero Trust security architecture

Data and Reporting

- Enterprise-wide data warehouse enhancement with advanced business intelligence dashboards and executive MIS reporting
- Strengthening regulatory reporting automation through integrated analytics, real-time operational dashboards, and automated compliance monitoring

Technology Priorities Going Forward

Midland's technology strategy over the next three years is focused on building a secure, intelligent, and digitally enabled financial ecosystem capable of supporting rapid business growth while maintaining strong governance and regulatory compliance.

Key strategic priorities include:

- Accelerating end-to-end digital lending capabilities with seamless customer journeys and paperless processing.
- Leveraging AI and ML to enhance credit underwriting, fraud detection, portfolio monitoring, customer servicing, and collections effectiveness.
- Expanding API-driven integration across internal applications and external ecosystem partners to improve interoperability and operational agility.
- Implementing advanced analytics platforms that enable predictive decision-making, business intelligence, and real-time performance monitoring.
- Strengthening cybersecurity through Zero Trust Architecture, enhanced Security Operations Centre (SOC) capabilities, advanced threat detection, continuous security monitoring, and automated incident response.
- Advancing compliance with RBI, CERT-In, UIDAI, and Digital Personal Data Protection (DPDP) requirements through integrated governance, risk, and compliance solutions.
- Expanding cloud-enabled infrastructure with enhanced disaster recovery, business continuity, and infrastructure resilience.
- Increasing automation across operational, finance, compliance, audit, and customer service functions to improve productivity and reduce turnaround times.
- Exploring Agentic AI and conversational AI technologies to improve multilingual customer engagement, virtual assistance, intelligent collections, and employee productivity.
- Strengthening enterprise data governance through master data management, data quality frameworks, and enhanced reporting capabilities to support strategic decision-making.

Through these initiatives, Midland aims to build a future-ready digital enterprise that delivers a superior customer experience, operational excellence, regulatory compliance, and sustainable long-term growth while maintaining the highest standards of cybersecurity and information resilience.



Annexure II

Corporate Governance Report

Corporate Governance is a framework of principles, processes and practices that governs corporate conduct. At the core, the elements include independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Together, these elements enable an organisation to operate efficiently, ethically, and responsibly, while promoting long-term value creation for all its stakeholders.

Midland Microfin Limited firmly believes that robust Corporate Governance is fundamental to building and sustaining stakeholder trust. The Company consistently endeavours to align its strategic and operational objectives with well-established governance principles. To this end, comprehensive systems and procedures have been instituted to ensure that the Board of Directors is adequately informed, engaged, and well equipped to effectively discharge its responsibilities. These governance mechanisms facilitate informed decision making and enable management to provide clear strategic direction for sustained value creation.

The Company has historically demonstrated a proactive approach to governance by adopting ethical, transparent, and responsible practices, often ahead of regulatory requirements. Its unwavering commitment to building and sustaining trust with shareholders, employees, customers, suppliers, and other stakeholders is deeply embedded in its governance philosophy and is reflected in the policies, processes, and practices adopted across the organisation.

This report details the corporate governance policies and practices of Midland Microfin Limited (the 'Company', 'Midland Microfin Limited' or 'MML') and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations') as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

The Company makes all efforts to comply with such standards, and the Company firmly believes that Corporate Governance is an ever-evolving journey, rather than a mere destination.

COMPANY'S GOVERNANCE PHILOSOPHY

The Company is committed to ensuring compliance with all applicable laws and regulations, not only in letter but also in spirit. It firmly believes that effective Corporate Governance requires a balanced approach that harmonises economic objectives with social responsibilities and aligns corporate interests with the broader interests of society. In conducting its business, the Company upholds the highest standards of accountability, transparency, integrity, and ethical conduct, while maintaining a strong sense of responsibility towards all its stakeholders. The Company remains committed to creating sustainable value for shareholders, employees, customers, business partners, communities, and other stakeholders. Guided by the core principles of good governance, the Company strives to operate its business in a responsible and sustainable manner, with due regard to societal and environmental considerations, regulatory compliance, and long-term value creation. These principles form the foundation of the Company's governance framework and support its commitment to fostering stakeholder trust and ensuring sustainable growth.

These elements collectively enable an organisation to operate efficiently and ethically, fostering the generation of long-term wealth and value creation for all its stakeholders. The Company firmly believes that sound Corporate Governance is essential for enhancing and maintaining stakeholder trust and consistently strives to align its performance goals with the governance principles. The Company has established systems and procedures ensuring that the Board is well informed and is prepared to fulfil its responsibilities. This foundation empowers the management to provide the strategic direction necessary for creating value for its stakeholders. The strong, accomplished and diverse Board and management supported by competent professionals across the organisation, all share and uphold the values of Corporate Governance as they are ingrained in each employee as a way of furthering the common goal of accountability towards all stakeholders.

The Company believes that financial success is best achieved through a balanced commitment to both ambition and empathy.

Our team carries both. Midland's journey is not just about increasing access, but deepening trust, the kind of trust that outlives cycles, markets and headlines.

ROLES OF VARIOUS CONSTITUENTS OF CORPORATE GOVERNANCE IN THE COMPANY

a. Board of Directors (The Board)

The Board oversees the Company's governance and strategic direction. It is in charge of approving strategy, keeping an eye on performance, guaranteeing strong governance, and defending the interests of stakeholders. In compliance with relevant legal and regulatory requirements, the Board performs its duties both directly and through its committees. This report goes into detail about the Committees' roles.

b. Executive Committees

The Executive Committees serve as a pivotal body for conducting comprehensive reviews of company-wide operations. It plays a crucial role in enhancing the connections between the top Management and the Operational Management. It engages in thorough deliberations on strategic and tactical issues that span across the organisation, ensuring a cohesive approach to addressing cross-functional challenges.

c. The Managing Director

The Board holds the Managing Director responsible for the Company's overall operations, behaviour, and performance. The Managing Director drives operational effectiveness and business development, set overall development and strategy implementation, and play a crucial role in fostering leadership capabilities throughout the organisation. In addition to keeping the Board updated on all noteworthy developments, the Managing Director supports the efficient operation of the Board and the Executive committees.

d. Senior Management Personnel

The Company's top leadership is made up of the Senior Management Personnel, who oversee directing strategy implementation across all businesses and corporate activities. They are responsible for performance, capital discipline, talent development, and risk management in their respective domains, and they function within the governance and strategic framework authorised by the Board and Executive committees. The profiles of the Senior Management Personnel responsible for the businesses of the Company hosted at the Company's website at https://midlandmicrofin.com/management-team/

e. Non-Executive Directors / Independent Directors

The Non-Executive Directors and the Independent Directors play an essential role in bringing balance to the Board's processes. Their independent judgment is crucial on a range of issues including strategy, performance, resource allocation, standards of conduct and safety. Moreover, they contribute valuable insights and inputs that enhance the Board's decision making capabilities. The profiles and expertise of all the Independent Directors/Non-executive Directors of the Company are available on the Company's website: https://midlandmicrofin.com/board-of-directors/

The Composition of the Board as on 31st March 2026 are as under:

In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Company has an optimum combination of Executive and Non–Executive Directors with one woman Director.

As on 31st March 2026, the Board of the Company comprised of Seven Directors, of whom three are Independent Directors (including one Woman Director), one Nominee Director, one Non-Executive Director, and one Managing Director.

The Board of Directors possesses requisite qualifications, experience, expertise, professionalism and diversity in general corporate management, banking, finance, economics, marketing, audits, analytics and other allied fields which enable them to contribute effectively to the Company.

Brief profile of Directors is as follows:

DIN	Name of Directors	Designation	Qualification	Brief Profile
02895343	Mr. Parveen Kumar Gupta	Chairman, Independent Director	Company Secretary, C.A.I.I.B – Indian Institute of Bankers, Mumbai, B.Com	Mr. Gupta has vast experience in the financial services sector of over 43 years. He retired as Managing Director from State Bank of India ("SBI"). During his stint with SBI group, he looked after retail banking, digital banking, risk and compliance functions, treasury, international banking, investment banking and private equity. He was also nominated by SBI on the Boards of various subsidiaries of the Bank as a nominee director. He is currently part-time Non-Executive Chairman of National Securities Depository Limited and of Future Generali India Insurance Company Limited. He is also an Independent Director on the Boards of Utkarsh Small Finance Bank Limited, Bank of India Investment Managers Private Limited, India Shelter Finance Corporation Limited and Protium Finance Limited. He has also been appointed as member of the Board of Governors of Indian Institute of Management, Raipur. Mr. Gupta is a former Chairman of Foreign Exchange Dealers Association of India (FEDAI). He holds a bachelor's degree in Commerce from Guru Nanak Dev University and is an associate member of the Institute of Company Secretaries of India. He is also a certified associate of the Indian Institute of Bankers. He was a member of the expert committee on Micro, Small and Medium Enterprises, headed by Mr. U.K. Sinha, former Chairman of the SEBI, constituted by RBI.
00649442	Mr. Amardeep Singh Samra	Promoter Director (Managing Director)	B.Com.	Mr. Amardeep Singh Samra is a seasoned financial services professional with over three decades of experience, including more than 15 years at the helm of Midland Microfin Limited. An early advocate of financial inclusion, he pioneered the microfinance model in Punjab and subsequently led Midland's expansion across multiple states, helping shape the Company into a technology-enabled NBFC-MFI with a growing national presence. Since joining Midland in 2010, Mr. Samra has been central to the Company's growth and institutional development. His leadership has focused on building a strong management team, strengthening governance and risk frameworks, and embedding responsible lending practices across the organisation. He has also championed the use of technology to improve operational efficiency and credit discipline, including the introduction of centralised credit sanctioning, digital and cashless disbursements, and centralised credit risk monitoring. With experience spanning finance, marketing and administration, Mr. Samra brings a broad perspective to Midland's long-term strategy. His approach combines measured growth with strong governance, customer protection and technology-led innovation, with a continued focus on building a resilient and scalable institution. Mr. Samra has also contributed to the wider microfinance ecosystem through his association with the Microfinance Institutions Network (MFIN), the industry association and Self-Regulatory Organisation for India's microfinance sector. He has previously served as a coordinator for the Punjab & Haryana Finance Companies Association (PHFCA), contributing to industry engagement and dialogue at the regional level.

DIN	Name of Directors	Designation	Qualification	Brief Profile
				Beyond his professional interests, Mr. Samra is passionate about photography, art and architecture. His work has featured in regional and international photography exhibitions, and he is a member of the Photographic Society of America (PSA) and the Bombay Natural History Society (BNHS). An avid runner and cyclist, he regularly participates in marathons and cycling events. He is also a member of the Young Presidents' Organization (YPO), Punjab Chapter.
07009446	Mrs. Kamna Raj Aggarwalla	Independent Director	B.A.	She is the Managing Partner of GDPA Fasteners', one of the youngest women entrepreneurs to pave way for GDPA Fasteners' entry into exports. She is also the member of the Advisory Board to Government of Punjab for small scale industries. Furthermore, she is the Regional Chairperson of Northern Region Engineering Export Promotion Council of India. She is a former Chairperson of the Confederation of Indian Industry (CII), Punjab and is also the Member of the Board of CII Northern Region. Apart from this, she is also Convener for Education and Skilling Panel of the Confederation of Indian Industry (CII), Punjab and is on Board to Punjab Technical University.
01592593	Mr. Sachin Nithyanand Kamath	Nominee Director	F.C.A.	Mr. Sachin Kamath is a global asset manager with over four decades of experience managing equity investments across a diverse range of sectors and stages of business growth. He is a founding member of Kitara Capital, a prominent global equity investment firm with offices across India, Oman & UAE. At Kitara, he focuses on a sector-agnostic approach to identifying and investing in Indian businesses - both listed and unlisted. Prior to establishing Kitara Capital, Mr. Kamath worked at ICICI Bank Limited, post which he held roles across investments and strategy across India and Oman, including serving as the Chief Investment Officer of the Ajit Khimji Group of Companies. He is a Chartered Accountant by qualification.
00514356	Mr. Santokh Singh Chhokar	Non-Executive Director	B.SC (Hons.), PGD Law	Mr. Santokh Singh Chhokar graduated in medical and social sciences from the University of London and subsequently completed the Law Society's Post Graduate Diploma in Law and passed the Law Society's Finals with honours in 1992. While at university, he was involved in student union activities and was elected president of the National Union of Asian Students two years in succession. Since 1994, Mr Chhokar has been a senior partner at Chhokar & Co Solicitors, which is based in the United Kingdom, with associate offices in the United Arab Emirates. He is an accredited Will Writer registered with the Dubai International Financial Centre (DIFC). Mr Chhokar is a long-standing member of the Solicitors' Family Law Association and the International Bar Association. Mr Chhokar has extensive knowledge and experience in business matters generally and SMEs in particular. Mr Chhokar has served as Honorary Treasurer and President of the Middlesex Law Society. He takes an active interest and participates in community affairs. Mr Chhokar has served as Chairman of the Trustees of the Sikh Missionary Society (UK) and General Secretary of the India Association and the Sikh Forum International. He has acted as a legal adviser to various charities and as a governor of several schools. Mr Chhokar has a long track record of involvement in local government, having served as Chairman of South Bucks District Council for two years. On Buckinghamshire Council he served as a Councillor and as Chairman of Denham, Gerrards Cross and Chalfonts Community Board. In recognition of this service he has been elected Honorary Alderman of Buckinghamshire Council. Mr Chhokar's Family has been settled in the United Kingdom since 1950's but has retained a strong and enduring relationship with India. Mr Chhokar is active in supporting his family's philanthropic projects and initiatives (including women empowerment, sports and education) in the United Kingdom, India and United Arab Emirates.
00670384	Mr. Ashwani Kumar Jindal	Independent Director	Chartered Accountant, Information System Auditors-ICAI, Forensic Auditors-ICAI	Mr. Ashwani Kumar Jindal is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a practicing Chartered Accountant with over 26 years of rich professional experience. He possesses extensive knowledge and expertise in NBFC audits, RBI-related matters, Income Tax and GST litigation, and regulatory and financial matters. He has served as the Central Statutory Auditor of Amritsar Central Co-operative Bank for several years, gaining significant experience in the banking and financial services sector. Mr. Jindal has been actively associated with the Institute of Chartered Accountants of India and has served as a Co-opted Member of various Central Committees of ICAI since 2016, including the Internal Audit Standards Board, Committee for Members in Industry & Business, and the Board of Studies (Academic & Operations). He is presently serving as a Co-opted Member of the Board of Studies (Operations) of ICAI. He has also made significant contributions to the profession at the regional level. He served as Chairman of the Jalandhar Branch of NIRC of ICAI in 2006, 2009 and 2013–14. Mr. Jindal is a Founder Member and General Secretary of the Chartered Accountants Association and also serves as the General Secretary of the Income Tax & GST Bar, Jalandhar. Through his professional and institutional engagements, he has been actively contributing to the advancement of the Chartered Accountancy profession and the broader areas of taxation, audit, banking and financial services.

DIN	Name of Directors	Designation	Qualification	Brief Profile
01571485	Mr. Shant Kumar Gupta	Additional Director	Postgraduate in Economics	Mr. Shant Kumar Gupta brings over 30 years of experience in corporate governance, business leadership and strategic management, with significant exposure to the NBFC sector. He currently serves as the Managing Director of Hamco Ispat Private Limited, a company engaged in the manufacturing and trading of iron, steel and hand tools. He holds a postgraduate degree in Economics and has extensive experience across general business operations and finance functions. Mr. Gupta is also the Founder and Chairman of Hamco Charitable Trust, a non-governmental organisation focused on providing free computer education to underprivileged and needy students. He was previously associated with the Company as an Independent Director, bringing valuable institutional knowledge and experience to the Board. His extensive experience further strengthens the Board's collective expertise in financial discipline, strategic planning, risk management and corporate governance, which are critical to the effective governance and sustainable growth of an NBFC.

Note: *None of the Directors holds office as a director, including alternate director, in more than twenty companies at the same time. None of them have directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included. As per declarations received, none of the directors serve as an independent director in more than seven listed companies. No Independent Director serves on the board of more than three Middle Layer NBFCs. Managing Director do not serve in any other Middle Layer NBFC.*

BOARD MEETINGS

The calendar for the Board and Committee meetings are fixed in advance and informed to directors well in advance to ensure their participation at all the meeting(s) and with an objective to plan their travel accordingly. Besides the quarterly Board meetings, meetings are also scheduled timely to facilitate the Board to devote additional time on strategic matters. The Board and Committee meetings are scheduled such that two full days are collectively dedicated for deliberations.

During FY 2025-26, the Board met four times, viz., 30th April 2025, 28th July 2025, 5th November 2025 and 29th January 2026. The gap between two consecutive meetings has been less than 120 days.

Attendance record of directors:

Name of the	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent	DIN	No. of Board Meetings		Whether attended last AGM	No. of other Directorships held (excluding Private Companies, Foreign Companies and Section 8 Companies Act, 2013)	Remuneration	
				Held	Attended			Remuneration/ Commission (In INR)	Sitting Fee
Mr. Amardeep Singh Samra	7th June 2010	Managing Director	00649442	4	4	Yes	None	24,710,800	40,000
Mrs. Kamna Raj Aggarwalla	17th August 2016	Independent Director	07009446	4	2	No	One	300,000	45,000
Mr. Sachin Nithyanand Kamath	31st March 2016	Nominee Director	01592593	4	3	No	None	NIL	60,000
Mr. Santokh Singh Chhokar	21st December 2021	Non-Executive Director	00514356	4	4	Yes	None	NIL	40,000
Mr. Parveen Kumar Gupta	21st December 2021	Non-Executive Independent Director	02895343	4	4	Yes	Five	900,000	80,000
Mr. Ashwani Kumar Jindal	11th August 2022	Non-Executive Independent Director	00670384	4	4	Yes	One	300,000	80,000
Mr. Shant Kumar Gupta*	29th January 2026	Additional Director	01571485	1	-	-	NIL	-	-

*Mr. Shant Kumar Gupta was appointed on 29th January 2026, as Additional Director on the Board of the Company subject to necessary approval.

Board diversity

The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are persons of eminence in areas of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research, and investment banking, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality

Core skills/ expertise/ competencies

Core skills/ expertise/ competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors. The chart/ matrix of such core skills/ expertise/ competencies, along with the names of directors who possess such skills is given below:

1. Financial Services
2. Management & Governance
3. Consumer behaviour, sales, marketing and customer experience
4. Technology and Innovation
5. Understanding of accounting and financial statements
6. Risk, Assurance and Internal Controls
7. Regulatory, Public policy and economics
8. Human Resource
9. Business Transformation & Strategy

Name	*Core skills/ expertise/ competencies*
Amardeep Singh Samra	Financial expertise, strategy and planning, marketing experience, leadership experience
Kamna Raj Aggarwalla	Export promotion, industrial leadership, women entrepreneurship, education and skilling, social sector
Sachin Nithyanand Kamath	Global asset management, investment strategy, cross-border investments, private equity, financial leadership experience
Santokh Singh Chhokar	Legal expertise, community leadership, public service, international legal affairs
Parveen Kumar Gupta	Industry experience, financial expertise, strategy and planning, leadership experience, governance, compliance, risk advisory
Ashwani Kumar Jindal	NBFC audit experience, taxation and compliance expertise, regulatory advisory, professional leadership
Shant Kumar Gupta	Financial expertise, strategy and planning, Investment Strategy, leadership experience

Board Level Performance Evaluation

The Board's evaluation process has been adopted by the Company in accordance with the provisions of the Act and the circular issued by SEBI & RBI. It applies to all Directors of the Company. The main objective of the evaluation is to ensure effective and efficient Board operations aligned with corporate goals, to identify ways to enhance Board members' functioning and to assess the balance of skills, knowledge and experience on the Board.

The Nomination and Remuneration Committee has laid down the criteria for the evaluation of the performance of Executive Directors, Non-Executive Directors including Independent Directors ("ID's"), Board Committees and Board as a whole.

The criteria for performance evaluation are as follows:

For Chairperson

The evaluation of the Chairperson shall be based on the effectiveness with which the Chairperson fosters and maintains collaborative, respectful, and productive relationships among Board members and the executive management team. The assessment shall consider the Chairperson's ability to provide strong, decisive, and impartial leadership, ensuring that Board meetings are conducted with clarity, purpose, fairness, and efficiency. It shall also evaluate the Chairperson's role in promoting open, transparent, and respectful communication within the Board, thereby fostering a culture of trust, engagement, and mutual respect. Consideration shall be given to the Chairperson's ability to create an inclusive and supportive environment where Board members feel comfortable expressing concerns, sharing ideas, and presenting differing viewpoints. The evaluation shall further assess the Chairperson's effectiveness in encouraging constructive dialogue, facilitating diverse perspectives, and enabling informed and timely decision-making by the Board. The Chairperson's communication with shareholders and other key stakeholders shall also be considered, particularly in relation to maintaining transparency, professionalism, and confidence in the Board's governance and oversight functions. Additionally, the assessment shall examine the Chairperson's contribution to enhancing the credibility, effectiveness, and reputation of the Board among shareholders and the wider stakeholder community. Finally, the evaluation shall take into account the Chairperson's adherence to the highest standards of integrity, honesty, professionalism, ethical conduct, and leadership, as well as the demonstration of sound judgment and governance practices in fulfilling the responsibilities of the position.

For Executive Directors

The evaluation of the Executive Director shall be based on the individual's ability to achieve the financial and business performance targets established by the Board and to demonstrate effective execution and results-oriented leadership. The assessment shall consider the director's competence in developing, managing, and implementing business strategies, operational plans, risk management frameworks, and financial affairs to ensure the organisation's long-term sustainability and growth. It shall further examine the director's capacity to anticipate industry trends, identify strategic opportunities, and establish priorities that contribute to the Company's continued success. Consideration shall also be given to the director's role in formulating forward-looking policies and strategic plans that align with the Company's vision and mission while balancing the interests of shareholders, clients, employees, and other stakeholders. The evaluation shall assess the effectiveness of the organisational structure established by the director, including the clarity of key functions and adequacy of resources to support strategic objectives. Additionally, the assessment shall take into account the director's ability to maintain productive relationships with the Board, senior management, regulators, financial institutions, industry bodies, and other external stakeholders. Finally, the evaluation shall consider the director's adherence to ethical standards, professional integrity, participation in meetings, and commitment to advancing the organisation's mission, values, and governance principles.

For Non-Executive Directors

The evaluation of a Non-Executive Director shall be based on the director's active participation and meaningful contribution during Board and Committee meetings, including preparedness, engagement, and the quality of inputs provided during deliberations. The assessment shall consider the director's commitment to the organisation through the provision of valuable guidance, independent advice, and support to senior management both within and outside formal meetings. It shall also evaluate the director's ability to effectively apply professional knowledge, experience, and expertise to strategic, operational, governance, and risk-related matters, thereby enhancing the quality of Board decision-making. Consideration shall be given to the director's adherence to the highest standards of integrity, ethical conduct, confidentiality, and discretion in handling sensitive information. The evaluation shall further examine the director's independence of thought, behaviour, and judgment, ensuring that decisions are made objectively and in the best interests of the Company without undue influence. Additionally, the assessment shall take into account the director's contribution to fostering constructive Board dynamics, balanced discussions, collaboration, and accountability among Board members. The director's effectiveness in maintaining professional relationships with fellow directors and senior management shall also be considered. The evaluation shall further assess the director's understanding of governance principles, regulatory requirements, fiduciary responsibilities, financial matters, and ethical obligations associated with Board membership. Finally, the assessment shall consider the director's willingness to listen to and respect diverse viewpoints, contribute constructively to discussions, and consistently uphold high standards of ethics, professionalism, and integrity in carrying out their duties and responsibilities.

For Independent Directors

The performance and effectiveness of Directors shall be assessed based on their preparedness for Board and Committee meetings; commitment to understanding the Company's business and participation in activities beyond formal meetings; ability to maintain a governance-focused approach and uphold confidentiality; attendance, participation, and contribution towards timely resolution of issues; quality and innovativeness of contributions during Board and Committee deliberations; proactive involvement in strategy formulation and risk management; understanding of governance, regulatory, financial, fiduciary, and ethical responsibilities; adherence to high standards of integrity, ethics, and probity; exercise of objective and independent judgment in the best interests of the Company; contribution to the implementation and monitoring of sound corporate governance practices; effectiveness in providing independent perspectives on strategy, performance, and risk management matters; and compliance with the applicable code of conduct and duties expected of Directors.

For Board of Directors

The evaluation of the Board of Directors shall be undertaken with reference to its overall effectiveness in decision-making, composition and diversity, adequacy of expertise and skills, transparency of appointment processes, and clarity of roles and responsibilities. The assessment shall also consider the Board's effectiveness in strategic oversight, governance, risk management, regulatory and fiduciary compliance, ethical conduct and integrity, stakeholder orientation, quality of guidance and support provided to management, and contribution to organisational performance. Further, the evaluation shall encompass the effectiveness of Board and Committee functioning, including participation and communication during meetings, adequacy of meeting processes and agenda circulation, committee structure and reporting mechanisms, maintenance of records and minutes, oversight of strategy implementation and compliance, supervision of the auditor's performance and independence, and the adequacy of technological and administrative infrastructure supporting Board operations, including facilities for virtual participation.

Vigil Mechanism/Whistle Blower Policy

The Company is committed to the highest standards of ethical, moral, and legal business conduct accordingly the Company has a well formulated and duly Board approved Vigil Mechanism/Whistle Blower Policy in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and RBI Directions. The Policy provides a whistle blowing route to employees, including part-time, temporary and contract employees, Directors and other stakeholders of the organisation to raise their concerns about serious irregularities, unethical behaviour, actual or suspected fraud within the Company to the Whistle and Ethics Officer.

In compliance with the procedure laid down under the Vigil Mechanism as required under Section 177(9) of the Companies Act, 2013, the Company has established a secured Vigil Mechanism which provides the procedures for:

a) Receiving, retaining and treating complaints received by employees, directors and other stakeholders;

b) Confidential, anonymous submission of complaints by Employees/Directors/other Stakeholders regarding questionable matters and conduct which results in a violation of law by Company or in a substantial mismanagement of Company resources and any other concern.

Separate Meeting of Independent Directors

Pursuant to the requirements of Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was also held on 30th March 2026 through video conferencing, in the absence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and also to assess the quality, quantity and timeliness of the flow of information between the Company, management and the Board.

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company; taking into account the views of executive directors and non-executive directors;
- Assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board and its Committees, which is necessary for the Board to effectively and reasonably perform their duties; The Independent Directors expressed their satisfaction with the overall functioning and implementation of their suggestions.

The evaluation process endorsed the Board Members confidence in the ethical standards of the Company, the cohesiveness that exists amongst the Board Members, the two-way candid communication between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

Declaration by Independent Directors

In terms of provisions of sub-section (7) of Section 149 of the Companies Act, 2013 and the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 Company has received declarations by Independent Directors stating and confirming that they are not disqualified to act as Independent Directors on the Board of the Company and further the Board is also of the opinion that the Independent Directors fulfil all the conditions specified in the Companies Act, 2013 making them eligible to act as the Independent Director.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board.

Pursuant to Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs. The Independent Directors have committed to qualify the online proficiency self-assessment as required under aforesaid Rule within prescribed timeline.

Further, in compliance with Paragraph 27 of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025, the Company has obtained specific declarations from all Independent Directors confirming that they do not serve as Independent Directors on the Board of more than three NBFCs in the Middle Layer category simultaneously. Based on such declarations and the verification undertaken by the Company, the Board is satisfied that the Independent Directors are in compliance with the aforesaid regulatory requirement.

Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by key members of Senior Management on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Regulations. The independent directors of the Company met on 30th March 2026 and assessed especially from the perspective of whether these aided the Board and its Committees to effectively and reasonably perform their duties. The independent directors expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various strategic, business, compliance and regulatory matters. During the respective period it, inter alia, covered the following:

- Business strategy, annual plans, budgets and business performance;
- Industry developments, regulatory changes and the Company's preparedness therefor;
- Financial performance, resource mobilisation, liquidity, Asset Liability Management (ALM) and capital adequacy;
- Portfolio quality, credit risk, collections performance and key business risks;
- Enterprise Risk Management framework, internal controls and compliance status;
- Findings of internal, statutory and regulatory audits/inspections and corrective actions thereon;
- Cyber security, information technology governance, digital initiatives and business continuity preparedness;
- Customer service standards, grievance redressal mechanism and Fair Practices Code compliance;
- Review of investments, borrowings and other significant financial transactions;
- Outsourcing arrangements, vendor governance and operational resilience;
- Human resource matters, succession planning and organisational structure;
- Review of policies, corporate governance practices and deliberations of various Board Committees; and
- Other material business, regulatory, compliance and governance matters impacting the Company.

Committees

The Company has various Committees, constituted as a part of good corporate governance practices who are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company currently has the following Committees:



**Special Committee of Board for Monitoring of Frauds was dissolved on 29th January 2026, by the Board of Directors.*

Audit Committee

Pursuant to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable directions issued by the Reserve Bank of India, the Company has constituted an Audit Committee comprising four Directors, of which three are Independent Directors, constituting a majority of the Committee.

All members of the Committee are financially literate and possess the requisite accounting, financial management and regulatory expertise necessary to effectively discharge their responsibilities. The composition, role, powers and terms of reference of the Audit Committee are in conformity with the requirements prescribed under the Companies Act, SEBI Listing Regulations and the applicable RBI regulatory framework.

The Board periodically reviews the functioning of the Audit Committee to ensure its effectiveness and continued compliance with applicable statutory and regulatory requirements, including those prescribed by the National Financial Reporting Authority (NFRA), SEBI and the Reserve Bank of India.

Composition of the Audit Committee

Mr. Ashwani Kumar Jindal	Chairman
Mr. Parveen Kumar Gupta	Member
Mrs. Kamna Raj Aggarwalla	Member
Mr. Sachin Nithyanand Kamath	Member

Dates of Audit Committee

During the year under review, the Audit Committee held meetings 4 (Four) times on the below-stated dates:

- 30th April 2025
- 28th July 2025
- 5th November 2025
- 29th January 2026

Attendance in Audit Committee Meetings

Names of Member	Member of Committee Since	Capacity	No. of Meetings of the Committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Ashwani Kumar Jindal	8th May 2024	Chairman	4	4	184,701 fully paid equity shares of INR 10 each
Mr. Parveen Kumar Gupta	21st December 2021	Member	4	4	Nil
Mrs. Kamna Raj Aggarwalla	17th August 2016	Member	4	3	20,000 fully paid equity shares of INR 10 each and 6,667 fully paid compulsory convertible preference shares INR 10 each
Mr. Sachin Nithyanand Kamath	17th August 2016	Member	4	3	Nil

The Audit Committee functions in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations, NFRA Circular applicable RBI guidelines, and other regulatory requirements as amended from time to time. The Committee oversees the Company's financial reporting process to ensure the accuracy, adequacy, and credibility of financial disclosures; reviews quarterly and annual financial statements and auditors' reports prior to their submission to the Board; and recommends the appointment, remuneration, and terms of appointment of auditors, including approval of fees for statutory, cost, and other audit-related services. It also monitors the independence, performance, and effectiveness of the audit process, oversees related party transactions, scrutinises inter-corporate loans and investments, and reviews valuations of undertakings or assets wherever necessary. Further, the Committee evaluates the adequacy and effectiveness of internal financial controls, risk management systems, and the vigil mechanism/ whistle blower framework; reviews findings of internal investigations involving suspected fraud, material irregularities, or control failures; discusses the scope and outcomes of audits with statutory auditors; monitors the utilisation of funds raised through public issues; and performs such other duties and responsibilities as may be assigned by the Board or prescribed under applicable laws and regulations.

Nomination and Remuneration Committee

Pursuant to the provisions of section 178 of the Companies Act, 2013 and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Company has a duly constituted Nomination and Remuneration Committee with its composition in conformity with the requirements of the Act, the Company has constituted a Committee comprising four Directors, of which three are Independent Directors, constituting a majority of the Committee.

Composition of Nomination and Remuneration Committee

Mr. Ashwani Kumar Jindal	Chairman
Mr. Parveen Kumar Gupta	Member
Mrs. Kamna Raj Aggarwalla	Member
Mr. Sachin Nithyanand Kamath	Member

Dates of Nomination and Remuneration Committee Meetings

During the financial year ended on 31st March 2026, the Nomination and Remuneration Committee held meetings 4 (four) times on below-stated dates:

- 30th April 2025
- 28th July 2025
- 5th November 2025
- 29th January 2026

Attendance in Nomination and Remuneration Committee Meetings

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Ashwani Kumar Jindal	8th May 2024	Chairman	4	4	184,701 fully paid equity shares of INR 10 each
Mrs. Kamna Raj Aggarwalla	5th October 2021	Member	4	3	20,000 fully paid equity shares of INR 10 each and 6,667 fully paid compulsory convertible preference shares INR 10 each
Mr. Sachin Nithyanand Kamath	13th February 2016	Member	4	3	Nil
Mr. Parveen Kumar Gupta	21st December 2021	Member	4	4	Nil

The Nomination and Remuneration Committee functions in accordance with the provisions of the Companies Act, 2013, the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, applicable RBI guidelines, and other regulatory requirements, as amended from time to time. The Committee is responsible for formulating criteria for determining the qualifications, positive attributes, and independence of Directors, and for recommending to the Board policies relating to the remuneration of Directors, Key Managerial Personnel, and other employees. It identifies and recommends qualified individuals for appointment to the Board and senior management positions, reviews succession and leadership requirements, and considers the appointment, reappointment, continuation, or removal of Directors and senior management personnel. The Committee also establishes and oversees the framework for evaluating the performance of the Board, its Committees, Individual Directors, and Independent Directors, and considers the extension or continuation of Independent Directors' tenure based on the outcome of such evaluations. Further, it reviews and recommends the remuneration of Managing Directors, Whole-time Directors, and senior management personnel, including the Chief Financial Officer and Company Secretary, ensuring alignment with performance objectives and regulatory requirements. The Committee performs such other duties and functions as may be delegated by the Board or prescribed under applicable laws and regulations from time to time.

Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the Company has a duly constituted Corporate Social Responsibility Committee comprising three Directors, including one Independent Directors. The Committee has formulated the CSR Policy of the Company, indicating CSR activities proposed to be undertaken by the Company, pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. The CSR Policy may be accessed on the Company's website through the link https://midlandmicrofin.com/wp-content/uploads/2026/02/CSR-Policy.pdf

Composition of Corporate Social Responsibility Committee

Mr. Amardeep Singh Samra	Chairman
Mr. Sachin Nithyanand Kamath	Member
Mrs. Kamna Raj Aggarwalla	Member

Dates of Corporate Social Responsibility Committee Meetings

During the financial year ending on 31st March 2026, the Corporate Social Responsibility Committee Meetings were held 2 (two) times on the below-stated dates:

- 30th April 2025
- 5th November 2025

Attendance in Corporate Social Responsibility Committee Meetings

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Amardeep Singh Samra	17th August 2016	Chairman	2	2	3,675,554 fully paid equity shares of INR 10 each, 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mr. Sachin Nithyanand Kamath	17th August 2016	Member	2	2	Nil
Mrs. Kamna Raj Aggarwalla	17th August 2016	Member	2	0	20,000 fully paid equity shares of INR 10 each and 6,667 fully paid compulsory convertible preference shares INR 10 each

The Corporate Social Responsibility (CSR) Committee functions in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and other regulatory requirements, as amended from time to time. The Committee is responsible for formulating and recommending the Company's CSR Policy to the Board, identifying and overseeing CSR initiatives in line with the activities specified under Schedule VII of the Companies Act, 2013, and recommending the expenditure to be incurred on such activities. It monitors the implementation and effectiveness of the CSR Policy and the CSR programmes undertaken by the Company, ensuring compliance with applicable statutory requirements and alignment with the Company's social responsibility objectives. The Committee may also formulate or recommend governance-related policies and frameworks, provide guidance to safeguard and enhance the Company's reputation and stakeholder relationships, and perform such other duties and responsibilities as may be delegated by the Board or prescribed under applicable laws and regulations from time to time.

Stakeholders' Relationship Committee

Pursuant to the provisions of sub-section (5) of section 178 of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations and other regulatory requirements, as amended from time to time, the Company has duly constituted Stakeholders' Relationship Committee comprising three Directors, of which two are Independent Directors, constituting a majority of the Committee. to specifically look into the shareholders', debenture holders' and investors' complaints on matters relating to transfer/transmission of securities, non-receipt of Annual Report, non-receipt of dividend, payment of unclaimed dividends, payment of interest/principal amount to debenture holders and other lenders.

Composition of Stakeholders' Relationship Committee

Mrs. Kamna Raj Aggarwalla	Chairperson
Mr. Amardeep Singh Samra	Member
Mr. Ashwani Kumar Jindal	Member

Dates of Stakeholders' Relationship Committee Meetings

During the, the Stakeholders' Relationship Committee held meetings 4 (four) times on below-stated dates:

- 29th April 2025
- 25th July 2025
- 4th November 2025
- 24th March 2026

Attendance in Stakeholders' Relationship Committee Meetings

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mrs. Kamna Raj Aggarwalla	12th November 2024	Chairperson	4	2	20,000 fully paid equity shares of INR 10 each and 6,667 fully paid compulsory convertible preference shares INR 10 each
Mr. Amardeep Singh Samra	28th March 2014	Member	4	4	3,675,554 fully paid equity shares of INR 10 each, 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mr. Ashwani Kumar Jindal	8th May 2024	Member	4	4	184,701 fully paid equity shares of INR 10 each

The Stakeholders' Relationship Committee functions in accordance with the provisions of the Companies Act, 2013 and the applicable SEBI Listing Regulations, as amended from time to time. The Committee oversees and reviews matters relating to the transfer and transmission of the Company's securities and monitors the performance of the Registrar and Share Transfer Agent. It is responsible for considering and resolving grievances of shareholders, debenture holders, and other security holders, including issues relating to transfer or transmission of securities, non-receipt of annual reports, dividends, share certificates, and matters pertaining to general meetings. The Committee also reviews measures undertaken to facilitate the effective exercise of voting rights by shareholders, monitors adherence to service standards in respect of investor-related services and recommends improvements to enhance stakeholder service quality. Further, it reviews initiatives aimed at strengthening investor relations and ensuring timely and effective redressal of stakeholder concerns, while performing such other functions as may be prescribed under applicable laws and regulatory requirements.

Risk Management Committee

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, SEBI LODR Regulations**,** and other regulatory requirements, as amended from time to time, the Company has a duly constituted Risk Management Committee comprising three Directors, of which two are Independent Directors, constituting a majority of the Committee to manage the integrated risks associated with the Company. The Company has established effective risk assessment and minimisation procedures, which are reviewed by the Risk Management Committee periodically.

Composition of Risk Management Committee

Mrs. Kamna Raj Aggarwalla	Chairperson
Mr. Ashwani Kumar Jindal	Member
Mr. Amardeep Singh Samra	Member

Dates of Risk Management Committee Meetings

During the financial year ended on 31st March 2026, the Risk Management Committee Meetings were held four times on the below-stated date:

- 29th April 2025
- 25th July 2025
- 4th November 2025
- 24th March 2026

Attendance in Risk Management Committee Meeting

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mrs. Kamna Raj Aggarwalla	12th November 2024	Chairperson	4	2	20,000 fully paid equity shares of INR 10 each and 6,667 fully paid-compulsory convertible preference shares INR 10 each
Mr. Amardeep Singh Samra	13th February 2016	Member	4	4	3,675,554 fully paid equity shares of INR 10 each, 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mr. Ashwani Kumar Jindal	8th May 2024	Member	4	4	184,701 fully paid equity shares of INR 10 each

The Risk Management Committee functions in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations, applicable RBI guidelines, and other regulatory requirements, as amended from time to time. In view of the dynamic business ecosystem the Committee oversees the establishment and maintenance of a robust risk management framework to support the Company's strategic objectives. The Committee is responsible for formulating, reviewing, and recommending the Risk Management Policy and Plan, overseeing their implementation, and ensuring the effectiveness of risk identification, assessment, monitoring, mitigation, and reporting processes. The Committee is also responsible to review the development and implementation of risk management strategies, including cyber security and technology-related risks, and ensures that the Company's risk management policies adequately articulate and support its governance structure, processes, and systems. Further, it performs such other duties and responsibilities as may be delegated by the Board or prescribed under applicable laws and regulations from time to time.

Board Management Committee

Pursuant to applicable regulatory requirements and business needs, the Board of Directors has constituted a Board Management Committee ("BMC") to facilitate efficient decision-making in relation to operational, financing, administrative and other matters delegated by the Board from time to time.

The Committee assists the Board in ensuring timely execution of routine and strategic business matters, including fund raising activities, borrowings, treasury and investment decisions, branch expansion, operational approvals, execution of financing and commercial arrangements, and other matters necessary for the smooth conduct of the Company's business. The Committee functions within the authority delegated by the Board and periodically reports its decisions and actions to the Board for its information and review.

Composition of Board Management Committee

Mr. Amardeep Singh Samra	Chairman
Mrs. Kamna Raj Aggarwalla	Member
* Mr. Ashwani Kumar Jindal	Member

* Mr. Ashwani Kumar Jindal stepped down from the committee w.e.f 5th November 2025

Dates of Board Management Committee

During the period under review, the Board management Committee Meetings were held 39 (Thirty Nine) times on the below-stated dates:

25th April 2025	31st July 2025	12th December 2025	24th February 2026
2nd May 2025	21st August 2025	18th December 2025	28th February 2026
14th May 2025	29th August 2025	19th December 2025	7th March 2026
27th May 2025	8th September 2025	23rd December 2025	12th March 2026
3rd June 2025	23rd September 2025	26th December 2025	17th March 2026
13th June 2025	26th September 2025	30th December 2025	19th March 2026
28th June 2025	30th September 2025	20th January 2026	21st March 2026
30th June 2025	29th October 2025	28th January 2026	24th March 2026
9th July 2025	20th November 2025	5th February 2026	30th March 2026
29th July 2025	27th November 2025	12th February 2026	

Attendance of Board Management committee

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Amardeep Singh Samra	16th May 2019	Chairman	39	34	3,675,554 fully paid equity shares of INR 10 each, 1,145,000 fully paid compulsory convertible preference shares ₹10 each
Mrs. Kamna Raj Aggarwalla	8th May 2024	Member	39	32	20,000 fully paid equity shares of INR 10 each 6,667 fully paid compulsory convertible preference shares INR 10 each
Mr. Ashwani Kumar Jindal*	8th May 2024	Member	18	14	184,701 fully paid equity shares of INR 10 each

Note - *Mr. Ashwani Kumar Jindal stepped down from the committee w.e.f 5th November 2025

The Board Management Committee is entrusted with such powers and responsibilities as may be delegated by the Board from time to time to facilitate the efficient conduct of the Company's business and operations.

The Committee, inter alia, oversees matters relating to fund raising and borrowing arrangements, including term loans, working capital facilities, securitisation transactions, direct assignments, external commercial borrowings and other financing instruments. It is authorised to consider and approve the terms and conditions of borrowing arrangements, execute financing and security documents, and undertake actions relating to the creation, modification and satisfaction of charges over the assets of the Company.

The Committee also reviews and approves matters relating to branch expansion and closure, opening and operation of bank accounts, treasury and investment activities, grant of loans, guarantees and securities within the delegated authority, and execution of commercial contracts, lease, licence and other operational agreements necessary for the conduct of the Company's business. Further, it oversees matters relating to allotment, transfer and transmission of securities, insurance arrangements, technology and communication infrastructure, and other routine operational and administrative matters delegated by the Board. The Committee also considers such other matters as may be specifically referred to it by the Board of Directors from time to time and ensures that its decisions are reported to the Board for information and oversight.

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING OF FRAUDS (SCBMF)

Pursuant to the provisions of the Reserve Bank of India Master Direction – Fraud Risk Management Directions, 2024, the Board had constituted the Special Committee of the Board for Monitoring of Frauds (SCBMF) to oversee the fraud risk management framework of the Company.

During the financial year 2025-26, the Committee met three (3) times on 29th April 2025, 25th July 2025 and 4th November 2025.

Subsequently, in accordance with the flexibility available under the aforesaid Directions for Middle Layer NBFCs, the Board dissolved the SCBMF and entrusted its responsibilities to the Internal Committee of Executives for Monitoring Frauds, chaired by the Managing Director of the Company. The Internal Committee shall discharge the functions relating to fraud monitoring, review and reporting in accordance with the applicable RBI Directions and the Fraud Risk Management Policy of the Company.

Composition of meetings of Special Committee for Monitoring of frauds

Mr. Ashwani Kumar Jindal	Chairman
Mr. Amardeep Singh Samra	Member
Mrs. Kamna Raj Aggarwalla	Member

Attendance of Meetings of Special Committee for Monitoring of frauds

Name of Members	Member of Committee Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Ashwani Kumar Jindal	6th August 2024	Chairman	3	3	184,701 fully paid equity shares of INR 10 each
Mr. Amardeep Singh Samra	6th August 2024	Member	3	3	3,675,554 fully paid equity shares of INR 10 each 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mrs. Kamna Raj Aggarwalla	6th August 2024	Member	3	2	20,000 fully paid equity shares of INR 10 each 6,667 fully paid compulsory convertible preference shares INR 10 each

The Special Committee of the Board for Monitoring of Frauds (SCBMF) was entrusted with the responsibility of overseeing the effectiveness of the Company's Fraud Risk Management Framework and monitoring the adequacy of internal controls for prevention, detection and reporting of frauds. The Committee reviewed and monitored fraud cases, including root cause analysis, and recommended appropriate corrective and preventive measures to strengthen the internal control and risk management framework and minimise the incidence of frauds. It also oversaw the effectiveness of the Early Warning Signals (EWS) framework and fraud detection mechanisms, reviewed significant fraud-related developments and ensured compliance with the applicable regulatory requirements. In addition, the Committee discharged such other responsibilities as may have been delegated by the Board from time to time or prescribed under applicable laws and the Reserve Bank of India directions.

Following the dissolution of the SCBMF, the aforesaid responsibilities are being discharged by the Internal Committee of Executives for Monitoring Frauds, in accordance with the applicable RBI Directions.

IT Strategy Committee

Pursuant to Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated November 7, 2023, the Company has constituted an IT Strategy Committee on 16th May 2019, to review the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance.

Composition of IT Strategy Committee

Mr. Ashwani Kumar Jindal	Chairman
Mr. Amardeep Singh Samra	Member
Mrs. Kamna Raj Aggarwalla	Member

Dates of IT Strategy Committee Meetings

During the period under review, the IT Strategy Committee Meetings were held 4 (four) times on the below-stated dates:

- 29th April 2025
- 25th July 2025
- 4th November 2025
- 24th March 2026

Attendance in IT Strategy Committee Meetings

Names of Member	Member of Committee Since	Capacity	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Ashwani Kumar Jindal	8th May 2024	Chairman	4	4	184,701 fully paid equity shares of INR 10 each
Mr. Amardeep Singh Samra	16th May 2019	Member	4	4	3,675,554 fully paid equity shares of INR 10 each 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mrs. Kamna Raj Aggarwalla	8th May 2024	Member	4	2	20,000 fully paid equity shares of INR 10 each 6,667 fully paid compulsory convertible preference shares INR 10 each

The IT Strategy Committee is responsible for providing strategic oversight of the Company's information technology, information security, and cybersecurity framework to ensure alignment with its business objectives and long-term growth strategy. The Committee oversees the formulation, approval, and periodic review of the Company's IT strategy and related policies, ensuring that the IT strategic planning process is effective and supports the achievement of organisational goals. It reviews the adequacy and effectiveness of the IT Governance and Information Security Governance framework, ensuring clear accountability, well-defined responsibilities, skilled resources, and robust control mechanisms across the organisation. The Committee also oversees the identification, assessment, and management of IT and cybersecurity risks, and ensures that investments in technology, information security, and cyber resilience are appropriately balanced in terms of risks and benefits and are aligned with the Company's digital maturity, business requirements, threat landscape, and industry standards. Further, it monitors the adequacy of IT resources, guides strategic technology investments, reviews the effectiveness of IT-enabled value creation initiatives, and evaluates the Company's Business Continuity Planning and Disaster Recovery framework at least annually to ensure operational resilience. The Committee performs such other duties and responsibilities as may be assigned by the Board or prescribed under applicable laws, regulations, and governance requirements from time to time.

Sub-Committees of IT- Strategy

Apart from IT strategy there are two more subcommittees: IT Steering Committee focuses on planning, oversight, and aligning IT activities with business needs. Information Security Committee (ISC) manages cybersecurity, reviews incidents, and oversees risk mitigation measures, ensuring compliance and resilience.

These sub-committees provide detailed oversight, ensuring that the IT infrastructure remains robust, compliant, and aligned with strategic objectives.

Asset Liability Management Committee

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 and other applicable regulatory requirements, the Company has constituted an Asset Liability Management Committee ("ALCO") to oversee the management of liquidity risk, interest rate risk and asset-liability mismatches. The Committee is chaired by the Managing Director and plays a key role in ensuring that the Company's balance sheet structure remains aligned with its business strategy, risk appetite and regulatory requirements.

Composition of Asset Liability Management Committee

Mr. Amardeep Singh Samra	Chairman
Mr. Amitesh Kumar	Member
Mr. Gagan Deep Sharma	Member
Mr. Bhimanshu Gupta	Member
Mr. Gagandeep Sharma	Member
Mr. Maninder Kumar	Member
Mr. Kapil Kumar Ruhela	Member

Dates of Meetings of Asset Liability Management Committee

During the financial year ended on 31st March 2026, the Asset Liability Management Committee Meetings were held 5 (five) times on the below-stated dates:

- 28th April 2025
- 5th May 2025
- 30th July 2025
- 5th November 2025
- 4th February 2026

Attendance of Asset Liability Management Committee's Meetings

Name of Members	Member of Committee Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent	No. of Meetings of committee		Shares held in Midland Microfin Limited
			Held	Attended	
Mr. Amardeep Singh Samra	16th May 2019	Chairman	5	5	3,675,554 fully paid equity shares of INR 10 each 1,145,000 fully paid compulsory convertible preference shares INR 10 each
Mr. Amitesh Kumar	16th May 2019	Member	5	5	261,311 fully paid equity shares of INR 10 each, 88,770 fully paid compulsory convertible preference shares INR 10 each
Mr. Gagan Deep Sharma	16th May 2019	Member	5	5	51,830 fully paid equity shares of INR 10 each
Mr. Bhimanshu Gupta	16th May 2019	Member	5	5	2,450 fully paid equity shares of INR 10 each, 600 fully paid compulsory convertible preference shares INR 10 each
Mr. Gagandeep Sharma	21st December 2021	Member	5	5	500 fully paid equity shares of INR 10 each
Mr. Maninder Kumar	30th March 2022	Member	5	5	1,100 fully paid equity shares of INR 10 each
Mr. Gopesh Gupta*	16th May 2019	Member	4	4	
Mr. Kapil Kumar Ruhela	31st October 2023	Member	5	5	Nil

Note - *Mr. Gopesh Gupta stepped down from the committee w.e.f 5th November 2025.

The Committee is responsible for monitoring the maturity profile of assets and liabilities, liquidity position, funding mix, interest rate sensitivity and capital adequacy. It also reviews the Company's borrowing strategy, resource mobilisation plans, liquidity coverage position and other treasury-related matters to ensure adequate liquidity and effective risk management. Further, the Committee periodically reviews the pricing of various lending and borrowing products, prevailing market conditions and other factors impacting the Company's asset-liability profile.

The Committee regularly reviews the Company's liquidity risk management framework and ensures compliance with the applicable RBI guidelines relating to Asset Liability Management. The deliberations and recommendations of the Committee are periodically placed before the Board for its review and guidance.

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During the period under review, there were no pecuniary relationship/transactions of any non-executive directors with the Company, other than receiving remuneration as directors.

Criteria of making the remuneration's to non-executive directors

During the year, the Non-Executive Directors are paid remuneration by way of commission (paid monthly) and other expenses (travel, boarding and lodging incurred for attending the Board/Committee meetings).

The Non-Executive Non-Independent Directors were also paid sitting fees. In addition to the aforementioned, no other remuneration is paid to the Non-Executive Independent Directors. There are no pecuniary relationships or transactions between Non- Executive Directors and the Company. The Company has obtained a Directors and Officers Liability Insurance policy covering all its Directors and Officers in respect of any legal action that might be initiated against them.

Management discussion and analysis

In accordance with the Companies Act 2013 & Listing Regulations, the Management Discussion and Analysis highlighting the details of each business vertical, forms a part of this Annual Report.

Disclosure of material transactions

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, members of the

Senior Management are required to disclose to the Board on any material financial or commercial transactions in which they have a personal interest that may have a potential conflict with the interests of the Company.

Based on the disclosures received from the Senior Management, except for remuneration and other employment-related benefits paid in the ordinary course of business, no material financial or commercial transactions involving any potential conflict of interest with the Company were reported during the financial year under review.

All Related Party Transactions entered into by the Company during the financial year were undertaken in the ordinary course of business and on an arm's length basis, wherever applicable, and were approved by the Audit Committee and/or the Board and/or the Members, as required under the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws. The details of Related Party Transactions are disclosed in the notes forming part of the Financial Statements.

Compliances regarding Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, ('SEBI PIT Regulations') the Company has a Board-approved Code of Conduct to regulate, monitor and report trading by Designated Persons ('Code of Conduct') and a code of practices and procedures for fair disclosure of unpublished price sensitive information ('Code of Fair Disclosure').

Wherever non-compliance by a Designated Person concerned was to be observed, penal action shall be taken and the amount will be remitted to the SEBI stipulated fund. By frequent communications, the Company also makes aware the Designated Persons of their obligations under the SEBI PIT Regulations.

Means of Communication

The primary source of information for the shareholders, customers, analysts and other stakeholders of the Company and to public at large is through the website of the Company https://midlandmicrofin.com/. The Annual Report, quarterly financial results, corporate actions and copies of press releases, if any, among others, are regularly submitted to the Stock Exchanges and uploaded on the website of the Company including Quarterly / Annual Financial Results in accordance with the SEBI Regulations. All the disclosures made to the Stock Exchanges are also available on the website of the Company i.e. https://midlandmicrofin.com/. The quarterly and annual results of the Company were published in widely circulated English newspaper Financial Express and the Punjabi vernacular newspaper Nawa Zamana. The debenture holders can send their queries/complaints at the designated email address at investor.relations@midlandmicrofin.com

Information on general body meetings and details of special resolution(s) passed

The details of Annual General Meetings (AGM) of the shareholders held during the previous 3 financial years are given below:

Financial Year	AGM	Date and Time	Place of AGM	No. Special Resolutions Passed	Details of the special resolution passed
2024-25	37th AGM	29th September 2025, 3:00	The Axis, Plot No 1, B.M.C. Chowk, G.T. Road, Jalandhar.	7	1. To re-appoint Mr. Amardeep Singh Samra as Managing Director of the Company
					2. To amend the MML ESOP Scheme 2024.
					3. Approval of waiver of the recovery of managerial remuneration, which is in excess of the limits prescribed under section 197 of the companies act, 2013 read with schedule V to the companies act, 2013, paid / payable to Mr. Amardeep Singh Samra (DIN: 00649442) Managing Director of the Company for the financial year 2024-25.
					4. To approve payment of remuneration/ commission to the Non-Executive Director
					5. To increase the Borrowing Powers of the Company
					6. Creation of charges on movable and immovable properties of the company, both present and future, in respect of borrowings
					7. To consider the Proposal for Issuance of Debentures through Private Placement and /or through Public Issue.
2023-24	36th AGM	24th September 2024, 3:00 P.M.	The Axis, Plot No 1, B.M.C. Chowk, G.T. Road, Jalandhar.	1	To raise funds up to INR 1,000 Cr. through issue of Bonds/Debentures on Private Placement basis and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.
2022-23	35th AGM	28th September 2023, 3:00 P.M.	The Axis, Plot No 1, B.M.C. Chowk, G.T. Road, Jalandhar.	1	To amend the borrowing limit of the Company.

Annual Record of Board Meetings of Midland Microfin Limited

FY 2025-26

Name of the Directors	30th April 2025	28th July 2025	5th November 2025	29th January 2026	No. of Meeting attended by Director
Total Strength Of the Board	**6**	**6**	**6**	**6**	
Mr. Amardeep Singh Samra	Attended	Attended	Attended	Attended	4
Mrs. Kamna Raj Aggarwalla	Leave of Absence	Attended	Leave of Absence	Attended	2
Mr. Sachin Kamath	Attended	Attended	Attended	Leave of Absence	3
Mr. Parveen Kumar Gupta	Attended	Attended	Attended	Attended	4
Mr. Santokh Singh Chhokar	Attended	Attended	Attended	Attended	4
Mr. Ashwani Kumar Jindal	Attended	Attended	Attended	Attended	4
Total Present Directors in respective Meeting	**5**	**6**	**5**	**5**	

Details of Postal Ballot conducted during the financial year:

During the year under review, no resolution was passed through the Postal Ballot.

General Shareholder Information

The Company is registered with ROC Chandigarh. The CIN allotted to the Company is U65921PB1988PLC008430.

Date, Time and venue of annual general	29th September 2025, at 3:00 PM to be conducted through video conferencing and other audio visual means, at the registered office of the Company i.e. The Axis, Plot no. 1, BMC Chowk, G.T. Road, Jalandhar.
Financial Year	1st April 2025 – 31st March 2026 (FY 2025-26)
Dividend payment date	The Company has not declared any dividend during FY 2025-26 on the equity shares.

Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	The Non-Convertible Debentures (NCDs) of the Company are listed on BSE Limited (BSE), while the Bonds issued by the Company are listed on India International Exchange (IFSC) Limited (India INX). The Listing fees as applicable have been duly paid to stock exchanges. **BSE Address:** Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 **INX Address:** 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, Gandhinagar, Gujarat – 382 050.
Stock Code	Not applicable
Market price data- high, low during each month in last financial year	Not applicable; as Equity Shares of the Company are not listed on any Stock Exchange
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc	Not applicable; as Equity Shares of the Company are not listed on any Stock Exchange
In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable.
Registrar to an issue and share transfer agents	**For Equity, Preference and Non-Convertible Debentures:** Skyline Financial Services (P) Limited. D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 Website: http://skylinerta.com Email address: info@skylinerta.com Telephone Number: +91 9999589742 **For Bonds:** India International Depository IFSC Limited 306, 310 & 311, 3rd Floor Hiranandani Signature GIFT SEZ, GIFT City, Gandhinagar, Gujarat - 382355. Website: https://www.iidi.co.in Email address: info@iidi.co.in Telephone Number: 079–68320014 and 079–66065970
Share transfer system	SEBI vide Notification dated 8th June 2018 had restricted effecting transfer of shares in physical form with effect from 1st April 2019.
Distribution of shareholding	Refer details under the tab Shareholding Pattern
Dematerialisation of Shares and liquidity	All shares are in dematerialised form.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Not Applicable
Commodity price risk or foreign exchange risk and hedging activities	Commodity price risk is not applicable and all our external borrowings in foreign currency are fully hedged.
Plant locations	Not Applicable
Address for Correspondence	Mr. Kapil Kumar Ruhela Company Secretary & Chief Compliance Officer Add: The Axis, Plot no. 1, BMC Chowk, G.T. Road, Jalandhar-144001 Website: www.midlandmicrofin.com Email Id: cs@midlandmicrofin.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	The details are provided below **Rating Agency** — **Credit Rating** India Ratings — IND BBB/Stable CARE Ratings — CARE BBB+(Negative) Acuite Ratings — ACUITE A-/Negative
Debenture Trustee	1. **Catalyst Trusteeship Limited** Unit No-901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 Tel.: +91 22 4922 0555 2. **Beacon Trusteeship Limited** 5W, 5th Floor, the Metropolitan E Block BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051

Details of ratings as on 31st March 2025 and 31st March 2026 are:

The Company enjoys strong credit rating from different credit rating agencies such as CARE, ACUITE, SMERA and India Ratings. The credit ratings ensure that the Company continues to have access to financing at the most competitive rates at all times and even during tight liquidity conditions.

During the financial year ended on 31st March 2026, the rating agencies assigned and reaffirmed the following long term and short-term ratings of the Company:

S. No.	Name of Rating Agency	Type of Rating	Credit Rating
1	India Ratings	Credit Rating; NCD's	IND BBB/Stable
2	CARE Ratings	Credit Rating; Bank Facilities & NCD's	CARE BBB+(Negative)
3	Acuite Ratings	Credit Rating; Bank Facilities & NCD's	ACUITE A-/Negative
4	SMERA	Grading	M1C1

Other Disclosure:

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.**

During the year under review, there were no material related party transactions that may have any conflict of interest with the Company in accordance with the provisions of section 188 of the Act. All related party transactions were entered in ordinary course of business and on arm's length basis and were approved/reviewed by the Audit Committee. The details of related party transactions entered by the Company are provided in the notes to the financial statements of the Company in accordance with the provisions of applicable accounting standards. You may refer to the Standalone Financial Statement which contains related party disclosures. The Company has put in place a Related Party Transactions Policy (RPT) which was approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Act and SEBI Listing Regulations. The policy on the materiality of RPTs (part of the Related Party Transaction Policy) and dealing with RPTs as approved by the Board may be accessed on the website of the Company i.e. https://midlandmicrofin.com/wp-content/uploads/2026/08/Related-Party-Transaction-Policy_29012026.pdf

b) **Details of Structures and Penalties:**

During the financial year under review, no prosecution was initiated and no fines or penalties were imposed on the Company, its Directors or Officers under the provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Foreign Exchange Management Act, 1999, and the Rules, Regulations and Guidelines framed thereunder, except for fines levied by the BSE Limited in relation to the delay in submission of the prior intimation of the Board Meeting under Regulation 50(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has taken appropriate corrective measures to strengthen its compliance processes and prevent recurrence of such instances.

c) Total Fees to Statutory Auditor

A consolidated fee of Rs. 30 Lakh was paid to the Statutory Auditors by the Company for FY26

d) Prevention of Sexual Harassment

The Company recognises its responsibility and continues to provide a safe working environment for women, an environment free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on the prevention of Sexual Harassment of Women at Workplace which may be accessed on the website of the Company i.e. https://midlandmicrofin.com/wp-content/uploads/2026/02/Anti-Sexual-Harassment-Policy.pdf and has constituted an Internal Complaints Committee. During the year under review, there were neither any complaint received nor any outstanding.

The disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during the period under review	Nil
Number of complaints disposed during the period under review	Nil
Number of complaints pending during the period under review	Nil

e) Senior Management Details of Senior Management Personnel(s) ('SMPs') as on 31st March 2026 pursuant to provisions of Schedule V (C)(5B) of the SEBI Listing Regulations are as follows:

S. No.	Name	Designation
1	Mr. Gagan Deep Sharma	Vice President – Insurance
2	Mr. Gagandeep Sharma	Chief Information Security Officer
3	Mr. Maninder Kumar	Deputy Vice President - Credit
4	Mr. Amit Kumar Rathi	Associate Vice President – Internal Audit
5	Mr. Rajesh Kumar	Strategic Business Head

f) Compliance of mandatory and discretionary requirements

Mandatory

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the applicable law.

For and on behalf of the Board of Directors of
Midland Microfin Limited

Amardeep Singh Samra
(Managing Director)
DIN: 00649442

To,
The Board of Directors
Midland Microfin Limited

I, Amardeep Singh Samra, Managing Director of Midland Microfin Limited hereby declare that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended 31st March 2026.

Sd/-
Amardeep Singh Samra
Managing Director

27th July 2026

Annexure III

Report on Corporate Social Responsibility

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of Midland Microfin Limited

The Company views Corporate Social Responsibility (CSR) as an integral part of its commitment to sustainable and inclusive growth. Through its CSR initiatives, the Company strives to create shared value for all stakeholders while contributing meaningfully to social welfare and environmental sustainability. The Company's CSR strategy focuses on integrating community development, social responsibility, and environmental stewardship into its business operations and encouraging all business units and functions to incorporate these principles into their activities. The CSR programmes and projects undertaken by the Company are aligned with the activities prescribed under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee

Name of Members	Member of Committee Since	Capacity	No. of Meetings of committee	
			Held	Attended
Mr. Amardeep Singh Samra	17th August 2016	Chairman	2	2
Mr. Sachin Nithyanand Kamath	17th August 2016	Member	2	2
Mrs. Kamna Raj Aggarwalla	17th August 2016	Member	2	0

3. The web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Weblink: https://midlandmicrofin.com/csr/

Weblink of CSR Policy: https://midlandmicrofin.com/wp-content/uploads/2026/02/CSR-Policy.pdf

4. The Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Since the CSR spent does not fall into the prescribed limit hence the Impact Assessment of CSR Projects is not Applicable.

5. (a) Average net profit of the Company as per section 135(5): **INR 627,261,586**

(b) Two percent of average net profit of the Company as per section 135(5): **INR 12,545,232**

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**

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

(e) Total CSR obligation for the financial year (7a+7b-7c): **INR 12,545,232**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 11,585,991**

(b) Amount spent in Administrative Overheads: **INR 446,876.07**

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 12,032,867**

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

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	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 the Fund	Amount	Date of transfer
12,032,867	512,365	23rd April 2026			

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

S. No.	Particular	Amount in INR
1	Two percent of average net profit of the Company as per section 135(5)	**12,545,232**
2	Total amount spent for the Financial Year	**12,032,867**
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

(g) Details of Unspent CSR amount for the preceding three financial years

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount spent in the reporting Financial Year (in INR)	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 INR)	Deficiency, if any
				Name of the Fund	Amount (in INR)	Date of transfer		
2024-25	2,262,318	-	2,262,318				-	-

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

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

Since the projects are of long-term nature, the total amount committed to some of the projects was not spent during the year but such unspent amount related to on-going projects has been transferred to a separate Unspent CSR Account opened for this purpose by the Company.

Amardeep Singh Samra
Managing Director

Ashwani Kumar Jindal
Independent Director

Date: 27th July, 2026

Annexure IV

Disclosure of Remuneration

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Part A – Statement of Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each director and KMPs during financial year 2025-26.

Sr. No.	Name of Director/KMP	Designation	Ratio to Median	% Increase FY 2025-26
1	Amardeep Singh Samra	Managing Director	136/1	-
2	Kamna Raj Aggarwalla	Independent Director	1.65/1	-
3	Parveen Kumar Gupta	Chairman, Independent Director	4.95/1	-
4	Ashwani Kumar Jindal	Independent Director	1.65/1	-
5	Amitesh Kumar	President, COO & CFO	32/1	-
6	Kapil Kumar Ruhela	Company Secretary & Chief Compliance Officer	15.7/1	-

(i) Median Remuneration

The percentage increase in median remuneration of employees in the financial year 2025-26: There has been an increase of 4.78% in the median remuneration of the employees of the Company in FY 2025-26 as compared to FY 2024-25.

(ii) Number of Employees:

As on 31st March 2026, there were 5,949 permanent employees on the rolls of the Company.

(iii) Average salary increase:

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

The average increase in the remuneration of employees other than KMPs during FY 2025-26 was 10% and the average increase in the remuneration of KMPs was Nil.

Justification for Increase

(If there is any difference between the average salary increase given to employees and the average increase given to Key Managerial Personnel (KMPs):

It is hereby affirmed that:

a.) The remuneration paid to KMPs, and Senior Managerial Personnel is in accordance with the remuneration policy of the Company.

b.) None of the employees drew remuneration beyond the limits specified under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Affirmation: It is affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company

PART – B: Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Top 10 employees in terms of remuneration drawn during FY25-26:

Name	Age	Qualification and experience	Designation	Employed since	Remuneration drawn during financial Year 2025-26		Previous Employment	Remarks
					Remuneration Paid (In INR)	ESOP (No. of options granted)		
Amardeep Singh Samra	55	B.com & 26 years	Managing Director	7th June 2010	24,710,800	-	-	This is including LTA, Employer PF & No incentive paid in this year.
Amitesh Kumar	42	Postgraduate & 16 years	President, Chief Operating Officer & Chief Financial Officer	20th January 2011	6,063,984	-	BFIL	5,819,172 (Salary) + 244,812 (PF)
Rahul Kumar	43	Postgraduate & 16 years	Senior Vice President	28th December 2023	5,683,248	-	Micro energy Credits (MEC)	It includes gross earning, Employer PF & monthly incentive(target based).
Rajesh Kumar	46	MBA & 21 years	Senior Vice President	17th March 2025	5,658,166	80,000	-	It includes gross earning, Employer PF & monthly incentive(target based).
Puran Prakash	46	Postgraduate & 23 years	Deputy Vice President	23rd September 2024	4,319,234	-	Mahindra Rural Housing Finance Limited	It includes gross earning, Employer PF & monthly incentive(target based).
Gagandeep Sharma	42	Postgraduate & 20 years	Vice President	1st July 2021	3,914,930	-	AS Software Services Private Limited	It includes gross earning, Employer PF
Harikishan Agrawal	44	Pursuing MBA & 17 years	Vice President	9th August 2012	3,123,631	-	BFIL	It includes gross earning, Employer PF & monthly incentive(target based).
Kapil Kumar Ruhela	38	Postgraduate & 12 years	Company Secretary & Chief Compliance Officer	25th September 2023	2,877,339	-	Religare Finvest ltd.	It includes gross earning, Employer PF
Gagan Deep Sharma	52	Graduate & LLB & 29 years	Vice President	17th January 2011	2,358,992	-	Sukhchain Finance Limited	It includes gross earning, Employer PF
Dharam Singh Solanki	45	MBA & 18.5 years	Deputy Vice President	1st December 2011	2,324,863	-	BFIL	It includes gross earning, Employer PF & monthly incentive(target based).

Note:

1) None of the employees listed above are:

- Relatives of any Director or Manager of the Company
- Holding 2% or more of the equity share capital, individually or along with their spouse and dependent children

2) Remuneration disclosed represents the amount actually paid during the financial year, as per HR and Accounts records, and may differ from the applicable/annualised remuneration.

Part C – Other Statutory Disclosures under Rule 5(2)

a. Employees drawing remuneration ≥ INR 1.02 Cr. per annum (whole year):

Except for our Managing Director, Mr. Amardeep Singh Samra, none of the employees of the Company drawing remuneration ≥ INR 1.02 Cr. per annum during the financial year.

Employee Code	Full name	Employment status	Grade	Cluster	Region	Profile	Department	Designation	Division	Branches	Monthly rate	Salary Earned FY 25 - 26
00750	Amardeep Singh Samra	Confirmed	II	Head office	Head Office	Managing Director	Finance	Managing Director	Head Office	H001-Head Office	1,860,100	24,689,200

b. Employees drawing remuneration ≥ INR 8.5 Lakh per month (part of the year): None

c. Employees receiving remuneration exceeding that of MD/WTD and holding ≥ 2% equity capital: None

Amardeep Singh Samra
Managing Director

Parveen Kumar Gupta
Independent Director

Date: 27th July, 2026

Annexure V

Secretarial Audit Report

To,
The Members,
Midland Microfin Limited
Jalandhar.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Midland Microfin Limited** (hereinafter referred to as Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my 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 my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

(vi) The following regulations and Guidelines of SEBI are not applicable to the company as only the debt securities are listed:

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

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

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

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with the following laws applicable specifically to the company:

(a) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non-Banking Finance Companies – Micro Finance Institutions and;

(b) Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025;

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

We have also examined the compliance of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

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

1. Whereas in terms of the provisions of Regulation 50(1) of the SEBI (Listing Obligation and Disclosure Requirements), 2015 the Company was required to intimate the Board Meeting in advance of at least two working days, and in a single instance the Company could not comply with the same. Penalty for the same was levied by BSE and was paid by the Company. The same was taken on record by the Company in the next Board Meeting.

We further report that

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

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

For **Harsh Goyal & Associates**
Company Secretaries

(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.:2802

Place: Ludhiana
Date: 27.07.2026

UDIN: F003314H000895975
Peer Review No. S1998PB021900

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 A'

To
The Members,
Midland Microfin Limited
Jalandhar

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

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

For **Harsh Goyal & Associates**
Company Secretaries

(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.:2802

Place: Ludhiana
Date: 27.07.2026

Independent Auditor's Report

To the Members of
Midland Microfin Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Midland Microfin Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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 31st March, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matter to be communicated in our Report

Key Audit Matter	Auditor's Response
Impairment of financial assets based on expected credit loss (ECL) *(Reference to Note 8 & 28 read with Material Accounting Policies Note 3.6)* **Net charge – INR 200.68 millions for the year ended 31st March, 2026** **Provision – INR 759.20 millions as at 31st March, 2026** Recognition and measurement of impairment of loans and advances involve significant management judgement. Reserve Bank of India (Non-Banking Financial Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("IRAC") prescribe the prudential norms for identification and classification of advances as NPAs.	**Our key audit procedures included: Design / controls** We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process. Key aspects of our controls testing involved the following: • Evaluating the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our business understanding. • Understanding management's updated processes, systems and controls implemented in relation to impairment allowance process. • Testing the controls over validation, implementation, and model monitoring in line with the RBI guidance.

Key Audit Matter	Auditor's Response
Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are: • **Data inputs –** The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • **Model estimations –** Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • **Economic scenarios –** Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. Management has made disclosures regarding ECL approach in the credit risk section of the Financial Statements (***Note 41(a)***). **Disclosures** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus.	• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing the design and operating effectiveness of the key controls over modification of assets including identification/staging of the modified asset. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs or data used in assessment and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets. • Testing management's controls over authorization and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations. **Substantive Tests** Key aspects of our testing included: • Assessing appropriate application of accounting principles (including criteria for SICR), validating completeness and accuracy of the data and reasonableness of assumptions used in the ECL model / calculations. • Performing credit reviews on sample basis over loans given to corporate customers. • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Performing test of details over calculation of ECL, in relation to the completeness, accuracy and relevance of data.

Key Audit Matter	Auditor's Response
	• Performing analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis. • Test of details of post model adjustments, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. **Assessing disclosures** - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The company's management and board of directors are responsible for the other information. The other information comprises the information included in Management Discussion and Analysis and Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit report of the financial statements, our responsibility is to read the other information identified above, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and if required issue a revised Audit report on finance statements.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

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 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.

In preparing the 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 intend to liquidate the company or to cease operation, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the

Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable, read with relevant rules issued thereunder.

e) On the basis of the written representation received from the Directors as on 31st March, 2026, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2026 from being appointed as a Directors in terms of section 164(2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the adequacy of the internal financial controls over financial reporting 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 control over financial reporting.

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

i) The Company does not have any pending litigations which would impact its financial position. Refer Note 36 to the Financial Statements.

ii) The Company did not have any long-term contracts including derivative contracts, other than those which have already been provided for, for which there were no material foreseeable losses.

iii) The Company is not required to transfer any amounts to the Investor Education and Protection Fund by the Company.

iv) a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 46 (xii)(a) to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 46 (xii)(b) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v) In our opinion and according to the information and explanations given to us, the final dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account which have a feature of recording an audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective softwares, except for the Human resource management system software (HRMS) used by the Company, which is hosted by a third party service provider, for which independent Service Organisation Controls (SOC Type 2) report from the service provider covering the relevant financial year has not been made available to us.

Further, except for the HRMS Software, 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.

i) As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions and limits laid down under section 197 read with schedule V to the Act.

For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Tanuj Chugh
(Partner)
M. No.: 529619
UDIN: 26529619MWUSQR8305

Place: New Delhi
Date: 04th May, 2026

Annexure - A

(Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our report of even date of **MIDLAND MICROFIN LIMITED**

AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020 ("THE ORDER") ISSUED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 143(11) OF THE ACT, WE GIVE IN THE ANNEXURE AS FOLLOWS:-

i) In respect of its property, plant and equipment and intangible assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;

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

b) The Company has a program of physical verification of "Property, plant and equipment, so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to information explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the Company does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence, reporting requirement of Clause 3(i)(c) of the Order is not applicable.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) In respect of clause 3(ii), we state that:-

a) The Company is a financing company, primarily in the business of providing loans to its customers. Accordingly, it does not hold any physical inventories. Thus, the provision of Clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under Clause 3(ii)(b) of the Order is not applicable.

iii) The company has granted secured and unsecured loans to other parties during the year, in respect of which:-

a) Since the principal business of the Company is to give loans, hence, reporting requirements of Clause 3(iii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms of all loans provided are not prejudicial to the company's interest.

c) According to the information and explanations given to us and based on the audit procedures performed by us, the schedule of repayment of principal and payment of interest has been stipulated by the Company for all the loans. Further, except for the instances where there are defaults in repayment of principal and/or interest in respect of which the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards "Ind AS" and the guidelines issued by the Reserve Bank of India "RBI" for Income Recognition and Asset Classification norms, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest. As of 31st March, 2026, overdue amount is INR **552.59 millions** (including overdue interest of INR **63.44 millions**) (including on balance sheet and off balance sheet exposure) which pertains to **1,10,276** borrowers.

d) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has taken reasonable steps for recovery of principal and interest in all cases wherein amount is overdue. As of 31st March, 2026, overdue amount for more than 90 days is **INR 313.36 millions** (including overdue interest of INR **Nil**) (including on balance sheet and off balance sheet exposure) which pertains to **35,620** borrowers.

e) Since the principal business of the Company is to give loans, hence, reporting requirements of 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 during the year. Hence, reporting under Clause 3(iii)(f) of the Order is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv) 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 undertaken any transaction in respect of loan, guarantees and securities covered under section 185 of the Act. The Company has not made any investment as referred in section 186 (1) of the Act, accordingly other requirements relating to section 186 of the Act do not apply to the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76, or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. Hence, reporting under Clause 3(v) of the Order is not applicable.

vi) Pursuant to the rules made by the Central Government of India, Company is not required to maintain cost records as specified under Section 148(1) for the business activities carries out by the Company. Hence, reporting under Clause 3(vi) of the Order is not applicable.

vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues, as applicable to the Company, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues were in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount (Rs. In Millions)	Period to which the amount relates	Due Date	Date of Payment	Remarks
Professional Tax	Employee Deduction	0.94	Since 2020 to Aug'25	Multiple	Not paid yet	NA

b) According to the information and explanations given to us, there were no statutory dues referred in sub-clause (a) above which have not been deposited on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

ix) With respect to the loans and borrowing obtained by the Company, we report that:-

a) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.

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

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

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

e) The Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under Clause 3(ix)(e) and (f) of the Order are not applicable.

x) With respect to Clause 3(x), we state that:-

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has not made any preferential allotment/ private placement of shares/ convertible debentures (fully or partly or optionally) during the year and hence reporting under Clause 3(x)(b) of the Order is not applicable.

xi) With respect to clause 3(xi), we state that:-

a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for 22 instances of cash embezzlements, committed by employees of the Company, aggregating Rs. 4.22 millions, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no whistle blower complaints has been received by the Company during the year (and upto the date of this report).

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

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian Accounting Standards.

xiv) With respect to Clause 3(xiv), we state that:-

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) With respect to Clause 3(xvi), we state that:-

a) The Company is required to, and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non -Banking Financial Company – Micro Finance Institution ('NBFC-MFI") vide registration No. B-06.00458 dated 2nd January, 2015.

b) The Company is not a Housing Finance Company as defined in the regulations made by the Reserve Bank of India. Hence, reporting under this clause of the order are not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the order are not applicable.

xvii) The Company has neither incurred cash losses during the financial year & nor in the preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

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

xx) a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a fund specified in Schedule VII of the company Act 2013, in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013.

b) In our opinion and according to the information and explanations given to us, the Company has transferred unspent amount under sub section (5) of section 135 of the Companies Act, 2013, pursuant to ongoing projects to a special account in compliance with the provision of section 135(6) of the Companies Act. This matter has been disclosed in Note 43 of the Financial Statements.

For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Tanuj Chugh
(Partner)
Place: New Delhi M. No.: 529619
Date: 04th May, 2026 UDIN: 26529619MWUSQR8305

Annexure - B

(Referred to in clause (f) of paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Midland Microfin Limited** as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors of the Company are 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 ("The ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS 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 standalone 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.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, 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.

For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Tanuj Chugh
(Partner)
M. No.: 529619

Place: New Delhi
Date: 04th May, 2026 UDIN: 26529619MWUSQR8305

Balance Sheet

as at 31st March, 2026

(Rupees in Millions unless otherwise stated)

Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,955.85	1,774.53
Bank balances other than cash and cash equivalents	5	2,379.60	1,986.62
Derivative financial instruments	6	460.99	56.28
Receivables			
Trade Receivables	7	20.24	8.77
Other Receivables	7	19.85	34.97
Loans	8	25,345.10	21,356.98
Investments	9	1,607.31	1,571.58
Other financial assets	10	912.01	279.32
Total financial assets		**34,700.95**	**27,069.05**
Non-financial assets			
Deferred tax assets (net)	31	173.32	156.17
Property, plant and equipment	11	194.08	154.38
Other intangible assets	11	18.65	24.64
Other non-financial assets	12	89.64	83.85
Total non-financial assets		**475.69**	**419.04**
Total assets		**35,176.64**	**27,488.09**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	13	9.59	0.43
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	13	8.84	0.06
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	13	9.66	7.56
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	13	12.17	10.30
Debt securities	14	12,969.36	4,335.45
Borrowings (other than debt securities)	14	13,472.07	15,261.43
Subordinated liabilities	14	1,220.87	1,228.23
Other financial liabilities	15	524.94	350.50
Total financial liabilities		**28,227.50**	**21,193.96**
Non-financial liabilities			
Current tax liabilities (net)	16	8.26	10.31
Provisions	17	56.46	36.20
Other non-financial liabilities	18	57.45	55.88
Total non-financial liabilities		**122.17**	**102.39**
EQUITY			
Equity share capital	19	523.73	523.73
Instruments entirely equity in nature	20	472.12	457.68
Other equity	21	5,831.12	5,210.33
Total equity		**6,826.97**	**6,191.74**
Total liabilities and equity		**35,176.64**	**27,488.09**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR **GSA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 000257N/N500339

TANUJ CHUGH
Partner
Membership No. 529619

Place: New Delhi
Date: 04th May, 2026

For and on behalf of the Board of Directors of Midland Microfin Limited

AMARDEEP SINGH SAMRA
Managing Director
DIN: 00649442

ASHWANI KUMAR JINDAL
Director
DIN: 00670384

AMITESH KUMAR
Chief Financial Officer

KAPIL KUMAR RUHELA
Company Secretary
Membership No.: A63313

Place: Jalandhar
Date: 04th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(Rupees in Millions unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2026	For the year ended 31st March, 2025
REVENUE FROM OPERATIONS			
Interest income	22	5,872.67	6,037.74
Fees and commission income	23	230.83	250.84
Net gain on derecognition of financial instruments under amortised cost category	24	266.07	68.52
Total revenue from operations		**6,369.57**	**6,357.10**
Other income	25	105.36	7.43
Total income		**6,474.93**	**6,364.53**
EXPENSES			
Finance cost	26	2,782.27	2,721.78
Net loss on fair value changes	27	149.60	157.40
Impairment on financial instruments	28	702.30	1,178.83
Employee benefit expenses	29	1,554.68	1,278.63
Depreciation and amortization expense	11	47.11	45.55
Other expenses	30	821.16	655.73
Total expenses		**6,057.12**	**6,037.92**
PROFIT BEFORE TAX		**417.81**	**326.61**
Tax expense:			
Current tax	31	103.02	120.13
Tax expense for earlier years		2.53	1.11
Deferred tax	31	(35.38)	(61.36)
INCOME TAX EXPENSE		**70.17**	**59.88**
Profit for the year (A)		**347.64**	**266.73**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain on defined benefit plans		9.95	5.25
Income tax effect		(2.51)	(1.32)
Items that will be reclassified subsequently to profit or loss			
Fair value income/(loss) on derivative financial instruments		62.48	(72.39)
Income tax effect		(15.73)	18.22
Other comprehensive income/(loss) (B)		**54.19**	**(50.24)**
Total comprehensive income for the year (A+B)		**401.83**	**216.49**
Earnings per share (equity share, par value of INR 10 each)			
Computed on the basis of total profit for the year			
Basic	32	6.64	5.56
Diluted	32	5.79	5.10
Nominal value		10.00	10.00
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR **GSA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 000257N/N500339

TANUJ CHUGH
Partner
Membership No. 529619

Place: New Delhi
Date: 04th May, 2026

For and on behalf of the Board of Directors of Midland Microfin Limited

AMARDEEP SINGH SAMRA
Managing Director
DIN: 00649442

ASHWANI KUMAR JINDAL
Director
DIN: 00670384

AMITESH KUMAR
Chief Financial Officer

KAPIL KUMAR RUHELA
Company Secretary
Membership No.: A63313

Place: Jalandhar
Date: 04th May, 2026

Statement of Cash Flows

for the year ended 31st March, 2026

(Rupees in Millions unless otherwise stated)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	417.81	326.61
Adjustments for:		
Depreciation and amortization	47.10	45.55
Provision for employee benefits	31.63	10.76
Net loss on fair value changes	149.60	157.40
Impairment of financial instruments	(194.92)	(43.05)
Net gain on derecognition of financials instruments under amortised cost category	(80.37)	285.49
Profit on sale of mutual fund units	(3.09)	(1.12)
Other provisions and write offs	3.58	3.20
Adjustments towards effective interest rate towards loan portfolio	30.09	5.81
Adjustments towards effective interest rate towards borrowings, debt securities and subordinated liabilities	(53.61)	4.33
Interest expense on lease liabilities	6.06	1.92
Operating profit before working capital changes	**353.88**	**796.90**
Movements in working capital :		
Increase/(decrease) in payables	21.91	(16.84)
Increase/(decrease) in other financial liabilities (excluding lease liabilities)	132.43	(965.37)
Increase in other non financial liabilities	1.57	10.96
Decrease in receivables	3.47	9.63
(Increase) in loan portfolio	(4,218.89)	(1,049.57)
(Increase) in other financial assets	(160.13)	(33.34)
(Increase) in other non financial assets	(5.79)	(16.91)
Cash used in operating activities post working capital changes	**(3,871.55)**	**(1,264.54)**
Income taxes paid	(107.61)	(186.27)
Net cash used in operating activities (A)	**(3,979.16)**	**(1,450.81)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (excluding right of use assets)	(32.50)	(42.71)
Purchase of intangible assets and intangible assets under development	-	(9.93)
(Increase)/decrease in bank balances other than cash and cash equivalents	(392.98)	384.04
Purchase of investments	(3,646.96)	(2,867.38)
Sale of investments	3,464.73	1,656.12
Net cash used in investing activities (B)	**(607.71)**	**(879.86)**

Statement of Cash Flows

for the year ended 31st March, 2026 (Contd.)

(Rupees in Millions unless otherwise stated)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of partly paid equity shares	-	47.62
Premium on issue of partly paid equity shares	-	714.34
Proceeds from issue of partly paid CCPS	14.50	23.00
Premium on issue of partly paid CCPS	217.49	345.09
Share issue expenses	-	(0.14)
Proceeds from issue (redemption) of Debt securities (net)	8,709.52	2,503.55
Proceeds from issue of Borrowings (other than debt securities) (net)	(2,126.93)	(1,422.04)
Proceeds from issue of Subordinated liabilities (net)	(34.00)	(182.81)
Dividend on equity shares	-	(31.90)
Dividend on compulsorily convertible preference shares	(0.04)	(1.94)
Payment of lease liabilities	(12.35)	(10.37)
Net cash from financing activities (C)	**6,768.19**	**1,984.40**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**2,181.32**	**(346.27)**
Cash and cash equivalents at the beginning of the year	1,774.53	2,120.80
Cash and cash equivalents at the end of the year (refer note 4)	**3,955.85**	**1,774.53**
Components of cash and cash equivalents as at the end of year		
Cash in hand	76.82	4.87
Balance with banks - on current account	404.04	175.95
Deposits with original maturity of less than or equal to 3 months	3,474.99	1,593.71
Total cash and cash equivalents	**3,955.85**	**1,774.53**

Note:

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 “Cash Flow Statement”.
2. Previous year figures have been regrouped / reclassified wherever applicable.
3. For disclosures relating to changes in liabilities arising from financing activities, refer note 45.

As per our report of even date

For and on behalf of the Board of Directors of Midland Microfin Limited

FOR **GSA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 000257N/N500339

TANUJ CHUGH
Partner
Membership No. 529619

Place: New Delhi
Date: 04th May, 2026

AMARDEEP SINGH SAMRA
Managing Director
DIN: 00649442

AMITESH KUMAR
Chief Financial Officer

Place: Jalandhar
Date: 04th May, 2026

ASHWANI KUMAR JINDAL
Director
DIN: 00670384

KAPIL KUMAR RUHELA
Company Secretary
Membership No.: A63313

Statement of Changes in Equity

for the year ended 31st March, 2026

A. Equity Share Capital

Equity Share of INR 10 each issued

(Rupees in Millions unless otherwise stated)

Particulars	No. of Shares	Amount
As at 31st March 2024	**52,373,407**	**523.73**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended 31st March 2025 (refer note 19(b))	-	-
As at 31st March 2025	**52,373,407**	**523.73**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended 31st March 2026 (refer note 19(b))	-	-
As at 31st March 2026	**52,373,407**	**523.73**

B. Instruments entirely equity in nature

(Rupees in Millions unless otherwise stated)

Particulars	No. of Shares	Amount
As at 31st March 2024	**9,086,142**	**434.68**
Changes in compulsorily convertible preference shares due to prior period errors	**-**	-
Changes in compulsorily convertible preference shares during the year ended 31st March 2025 (refer note 20(b))	-	23.00
As at 31st March 2025	**9,086,142**	**457.68**
Changes in compulsorily convertible preference shares due to prior period errors	**-**	**-**
Changes in compulsorily convertible preference shares during the year ended 31st March 2026 (refer note 20(b))	-	-
As at 31st March 2026	**9,086,142**	**457.68**

Statement of Changes in Equity

for the year ended 31st March, 2026 (Contd.)

B. Other Equity

(Rupees in Millions unless otherwise stated)

Particulars	Notes	Reserves & Surplus							Other Comprehensive Income		Grand total
		Securities Premium	Share Application Money Pending Allotment	Retained Earnings	Statutory Reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Share Options Outstanding Account	Total	Effective Portion of Cashflow hedges	Re-measurement gain on defined benefit plans	
Balance as at 31st March 2024	**21**	**2,216.75**	**-**	**1,284.69**	**392.75**	**36.63**	**42.80**	**-**	**3,973.62**	**(16.36)**	**10.55**	**3,967.81**
Profit for the year	21	-	-	266.73	-	-	-	-	266.73	-	-	266.73
Other comprehensive income	21	-	-	-	-	-	-	-	-	(54.18)	3.93	(50.25)
Total comprehensive income for the year		**-**	**-**	**266.73**	**-**	**-**	**-**	**-**	**266.73**	**(54.18)**	**3.93**	**216.48**
Transfer to Statutory Reserve	21	-	-	(53.35)	53.35	-	-	-	-	-	-	-
Premium on issue of equity shares	19	714.34	-	-	-	-	-	-	714.34	-	-	714.34
Premium on issue of partly-paid CCCPS	20	663.03	-	-	-	-	-	-	663.03			663.03
Calls in arrear-CCCPS	21	(317.94)	-	-	-	-	-	-	(317.94)	-	-	(317.94)
Share issue expenses	21	(0.14)	-	-	-	-	63.40	-	(0.14)	-	-	(0.14)
Transfer to Capital Redemption Reserve	21	-	-	(63.40)	-	-	-	-	-	-	-	-
Dividend on equity shares	21	-	-	(31.90)	-	-	-	-	(31.90)	-	-	(31.90)
Dividend on CCCPS	21	-	-	(1.94)	-	-	-	-	(1.94)	-	-	(1.94)
Fair value of stock option - charge for the year	21	-	-	-	-	-	-	0.59	0.59			0.59
Balance as at 31st March 2025	**21**	**3,276.04**	**-**	**1,400.83**	**446.10**	**36.63**	**106.20**	**0.59**	**5,266.39**	**(70.54)**	**14.48**	**5,210.33**
Profit for the year	21	-	-	347.64	-	-	-	-	347.64	-	-	347.64
Other comprehensive income	21	-	-	-	-	-	-	-	-	46.76	7.44	54.20
Total comprehensive income for the year		**-**	**-**	**347.64**	**-**	**-**	**-**	**-**	**347.64**	**46.76**	**7.44**	**401.84**
Transfer to Statutory Reserve	21	-	-	(69.53)	69.53	-	-	-	-	-	-	-
Premium on issue of partly-paid CCCPS	20	-	-	-	-	-	-	-	-	-	-	-

Statement of Changes in Equity

for the year ended 31st March, 2026 (Contd.)

(Rupees in Millions unless otherwise stated)

Particulars	Notes	Reserves & Surplus						Other Comprehensive Income		Grand total
		Securities Premium	Share Application Money Pending Allotment	Retained Earnings	Statutory Reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Share Options Outstanding Account	Total	Effective Portion of Cashflow hedges	Re-measurement gain on defined benefit plans	
Calls in arrear-CCCPS	21	216.55	1.01					-	217.56	-	-	217.56
Share issue expenses	21	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	21	-	-	-	-	-	-	-	-	-	-	-
Dividend on equity shares	21	-	-	-	-	-	-	-	-	-	-	-
Dividend on CCCPS	21	-	-	(0.04)	-	-	-	-	(0.04)	-	-	(0.04)
Fair value of stock option - charge for the year	21	-	-	-	-	-	-	1.43	1.43	-	-	1.43
Balance as at 31st March 2026	**21**	**3,492.59**	**1.01**	**1,678.90**	**515.63**	**36.63**	**106.20**	**2.02**	**5,832.98**	**(23.78)**	**21.92**	**5,831.12**

As per our report of even date

FOR **GSA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 000257N/N500339

TANUJ CHUGH
Partner
Membership No. 529619

Place: New Delhi
Date: 04th May, 2026

For and on behalf of the Board of Directors of
Midland Microfin Limited

AMARDEEP SINGH SAMRA
Managing Director
DIN: 00649442

AMITESH KUMAR
Chief Financial Officer

ASHWANI KUMAR JINDAL
Director
DIN: 00670384

KAPIL KUMAR RUHELA
Company Secretary
Membership No.: A63313

Place: Jalandhar
Date: 04th May, 2026

Notes to the Financial Statements

for the year ended 31st March, 2026
(Rupees in Millions unless otherwise stated)

1 CORPORATE INFORMATION

Midland Microfin Limited ('the Company') is a public limited company incorporated under the provision of the Companies Act, 1956 ('the Act'). The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and was classified as a Non-Banking Financial Company - Micro Finance Institution ('NBFC-MFI') with effect from 02nd January 2015 vide registration no. B-06.00458. The Company came out with a Public Issue of Secured Redeemable Non-Convertible Debentures in 2014 and the said securities are listed with Bombay Stock Exchange (BSE). As such, the Company has acquired the status of Listed Company pursuant to section 2(52) of Companies Act, 2013.

The Company is a non-deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and has been classified as NBFCML (middle layer) by the RBI as part of its 'Scale Based Regulation'.

The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Company has its operations spread across twelve states and two union territories namely Punjab, Haryana, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, Himachal Pradesh, Gujarat, Madhya Pradesh, Uttarakhand, West Bengal, Odisha, Assam, Maharashtra, Chhattisgarh, Andhra Pradesh, Chandigarh and Jammu & Kashmir.

These Ind AS Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 04th May, 2026.

2 BASIS OF PREPARATION

a. Statement of compliance in preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 (""the Act"") along with other relevant provisions of the Act, the updated Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025.

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values through other comprehensive income (FVOCI) as explained in relevant accounting policies. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated.

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

b. Presentation of financial statements

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

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

3A. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about

these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

a. Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b. Impairment of Loan portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, 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.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The policy on impairment loss on loans and advances is disclosed in detail in note 3.6.

c. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits 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 highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d. Provisions other than impairment on loan portfolio

Provisions are held in respect of range of future obligations such as employee entitlements and litigation provisions. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than 1 year are discounted at a rate that reflects both current interest rates and the risk specific to that provision.

e. Estimating the incremental cost of borrowing

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

f. Business model assessment

Refer Note 3.14(i) to the financial statements.

g. Effective interest rate (EIR)

Refer Note 3.2(a) to the financial statements.

h. Other estimates

These includes contingent liabilities, useful lives of tangibles & intangibles assets etc.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

3.2 Recognition of Income and Expense

The Company earns revenue primarily from giving loans. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

a. Interest Income

Interest revenue is recognised using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest income to the extent recoverable. If the financial assets cure and are no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

b. Interest expense

Interest expense includes issue costs that are initially recognised as part of carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commission payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

Overdue interest is recognised on a realization basis.

c. Fees and commission income

Income in the form of fees and commission is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

d. Investment income

Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably.

e. Assignment income

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transactions. Further the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition itself as excess interest spread and correspondingly recognised as profit on derecognition of financial asset.

f. Other incomes and expenses

All other incomes and expenses are recognised in the period they occur.

3.3 Property, plant and equipment (PPE) and intangible asset

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Any item of property, plant & equipment and any significant part initially recognised is derecognised at its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of asset (calculated as the difference between the net disposals proceeds and carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

3.4 Depreciation and amortization on PPE and intangible assets

Depreciation and amortization on PPE and intangible assets are provided on a straight-line basis using the rates arrived at, based on the expected useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also the useful life of the assets estimated by the management and also supported by technical advice. Based on the estimates by the management and technical advisor, the useful lives to consider for PPE and intangible assets are as follows:

a)	Furniture and fixtures	10 years
b)	Computers	
	- Servers and networks	6 years
	- End user devices, such as, desktops, laptops, etc.	3 years
c)	Office equipment	10 years
d)	Vehicles	8 years
e)	Leasehold improvements	Life based on the lease period
f)	Intangible Assets	6 Years

3.5 Impairment of non-financial assets

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.6 Impairment of financial assets

Overview of the principle for measuring expected credited loss ('ECL') on financial assets

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognise credit losses over the next 12-month period. The Company has an option to determine such losses on an individual basis or collectively depending upon the nature of the underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdue) and exposures upto 30 days overdue fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over the next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed a period of 30 days and upto 90 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure.

Methodology for calculating ECL

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows.

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or Life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. All such write-offs are charged to the statement of profit and loss. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Leases (where the Company is the lessee)

Lease under Ind AS 116

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.5 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.8 Foreign currency transactions

Functional & presentation currency

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment.

Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.9 Retirement and other employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company operates following employee benefit plans:

i. Employee Provident Fund and Employee State Insurance Scheme

Retirement benefit in the form of Employee Provident Fund and Employee State Insurance Scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and Employee State Insurance scheme. The Company recognises the contribution payable to the provident fund and Employee State Insurance scheme as an expense when an employee renders the related service.

ii. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. 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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

iii. Leaves

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

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

iv. Share Based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The cost of equity-settled transactions is measured using the fair value method and recognized, together with a corresponding increase in the "Share options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

3.10 Income taxes

Tax expenses comprise current tax and deferred tax.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current

income 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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items 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 directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue and bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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 increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

3.13 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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 entity. The Company does not have any contingent assets in the financial statements.

3.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

i) Financial Assets

Initial Measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification & Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Loan Portfolio at amortized cost
- Investment in mutual funds at fair value through profit & loss.
- Other financial assets at amortized cost.

Loan portfolio at amortized cost:

A loan portfolio is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions. 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. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect and earn contractual cash flows (i.e. measured at amortized cost), the Company assesses whether the financial instruments' cash flows represent solely

payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note 3.6.

Investment in mutual funds

Mutual funds included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

ii) Financial Liabilities

Initial measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

iii) De-recognition of financial assets and liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the right to receive cash flows from the financial asset has expired. The Company also derecognised the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

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

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement.

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
- In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

A transfer only qualifies for derecognition if either:

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

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

iv) Derivative financial instruments and hedging

The Company uses derivative financial instruments such as range forward and par forward currency contracts to hedge its foreign currency risks. Such derivative instruments are initially recognised at fair value on the date at which the derivative contract is entered and are subsequently re-measured at fair value as at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated. The Company designates their derivatives as hedges of foreign exchange risks associated with the cash flows of loan repayments including the interest part.

Cash flow hedges

For hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a risk associated with a recognised asset or liability or the foreign currency risk in the committed payments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is

recognised immediately in the Statement of Profit and Loss, within other gains/(losses).

When a hedging instrument expires, or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the Statement of Profit and Loss.

v) Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets and liabilities subsequent to their initial recognition.

3.15 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three-level fair-value-hierarchy which reflects the significance of inputs used in the measurement).

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- **Level 3 financial instruments** – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

3.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank with an original maturity of three months or less.

3.17 Preference Shares

Cumulative Compulsorily Convertible Preference shares

Cumulative Compulsorily Convertible Preference shares (CCCPS) are classified as a liability or equity components based on the terms of the contract and in accordance with IND AS 32. CCCPS issued by the Company classified as equity is carried at its transaction value and shown within "Equity" under "Instruments entirely equity in nature".

Non-Convertible Preference shares

A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Financial liability is measured at cost using the effective interest rate method (net of transaction costs) until it is extinguished on conversion or redemption as per Ind AS 32.

3.18 Investment in Security Receipts

Investment in Security Receipts issued by trust floated by asset reconstruction company are accounted for at fair value through profit and loss (FVTPL).

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

3B RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 01st April 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. **Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 01st April 2025**

   The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. **Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 01st April 2025**

   The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. **Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately**

   The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company does not have any impact due to this amendment on the financial statements.

4 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash on hand	76.82	4.87
Balances with banks		
On current accounts	404.04	175.95
Deposit with an original maturity of three months or less.	3,474.99	1,593.71
	3,955.85	**1,774.53**

Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying periods of between one day and three months, depending upon the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deposit with original maturity of less than or equal to 12 months	752.16	595.56
Deposit with original maturity of more than 12 months	56.18	192.01
Margin money deposits (refer note below)	1,571.12	1,199.01
Unpaid dividend accounts*	0.14	0.04
	2,379.60	**1,986.62**

Fixed deposits and margin money deposits with banks earn interest at fixed rates or floating rates based on daily bank deposit rates.

Margin money deposits are placed with banks to avail term loans from banks and financial institutions and placed as cash collateral in connection with securitisation transactions.

*These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend under note 15.

6 DERIVATIVE FINANCIAL INSTRUMENTS

Part I	As at 31st March 2026			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
- Currency Swaps	3,218.92	460.99	-	-
Total derivative financial instruments	**3,218.92**	**460.99**	**-**	**-**

Part II	As at 31st March 2026			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk management purposes as follows:				
Cash flow hedging:				
-Currency Swaps	3,218.92	460.99	-	-
Total derivative financial instruments	**3,218.92**	**460.99**	**-**	**-**

Part I	As at 31st March 2025			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Currency Swaps	3,617.12	56.28	-	-
Total derivative financial instruments	**3,617.12**	**56.28**	**-**	**-**

Part II	As at 31st March 2025			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk management purposes as follows:				
Cash flow hedging:				
-Currency Swaps	3,617.12	56.28	-	-
Total derivative financial instruments	**3,617.12**	**56.28**	**-**	**-**

6.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

6.2 Derivatives designated as hedging instruments

(a) Cash flow hedges

The Company uses Currency Swap to hedge its risks associated with foreign currency risk arising from External Commercial Borrowings. Currency Swap provides hedging of both principal and coupon payments on the underlying exposure.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in “Cash Flow Hedge Reserve”. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the FCS contracts are identical to the hedged risk components.

	As at 31st March 2026				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at 31st March 2026
The impact of hedging instruments (Net)	3,218.92	492.76	Derivative Financial Asset	460.99	(23.78)

	As at 31st March 2025				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at 31st March 2025
The impact of hedging instruments (Net)	3,617.12	150.54	Derivative Financial Asset	56.28	(70.53)

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

7 RECEIVABLES

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	20.44	8.81
	20.44	**8.81**
Less: Impairment loss allowance	(0.20)	(0.04)
	20.24	**8.77**
Other Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	20.05	35.15
	20.05	**35.15**
Less: Impairment loss allowance	(0.20)	(0.18)
	19.85	**34.97**

Ageing for trade receivables outstanding as at 31st March 2026 is as follows:

Particulars	Outstanding for following periods from due date of payment (gross of impairment loss allowance)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20.44	-	-	-	**20.44**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Ageing for trade receivables outstanding as at 31st March 2025 is as follows:

Particulars	Outstanding for following periods from due date of payment (gross of impairment loss allowance)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8.81	-	-	-	**8.81**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

8 LOANS

Particulars	As at 31st March, 2026	As at 31st March, 2025
	At amortised cost	At amortised cost
Secured, considered good*	189.30	-
Less: Impairment loss allowance	(4.25)	-
Unsecured, considered good*	25,394.44	21,593.06
Less: Impairment loss allowance	(400.28)	(323.85)
Unsecured, Considered doubtful**	520.55	322.43
Less: Impairment loss allowance	(354.66)	(234.66)
Total	**25,345.10**	**21,356.98**
Above amount includes		
Loans provided in India	25,345.10	21,356.98
Total	**25,345.10**	**21,356.98**

* Represents assets classified under stage I and stage II in accordance with Company's asset classification policy [refer note 3.6]

** Represents assets classified under stage III in accordance with Company's asset classification policy [refer note 3.6]

Overview of the loan portfolio of the Company

The table below discloses credit quality of the Company's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at 31st March 2026

Particulars	Stage I	Stage II	Stage III	Total
Considered good	23,965.83	1,213.38	-	25,179.21
Considered doubtful	-	-	165.89	165.89
Total	**23,965.83**	**1,213.38**	**165.89**	**25,345.10**

Portfolio classification as at 31st March 2025

Particulars	Stage I	Stage II	Stage III	Total
Considered good	20,244.49	1,024.72	-	21,269.21
Considered doubtful	-	-	87.77	87.77
Total	**20,244.49**	**1,024.72**	**87.77**	**21,356.98**

Gross Portfolio Movement for the year ended 31st March 2026

Particulars		Stage I	Stage II	Stage III	Total
Gross carrying amount as at 01st April 2025		20,416.20	1,176.86	322.43	21,915.49
Total	**(A)**	**20,416.20**	**1,176.86**	**322.43**	**21,915.49**
Inter-stage movements		`			
Stage I		(262.69)	108.01	154.68	-
Stage II		0.60	(2.02)	1.42	-
Stage III		0.04	0.02	(0.06)	-
Total	**(B)**	**(262.05)**	**106.01**	**156.04**	**-**
New assets originated, repaid and derecognised during the year		4,047.53	99.19	42.08	4,188.80
Total	**(C)**	**4,047.53**	**99.19**	**42.08**	**4,188.80**
Gross carrying amount as at 31st March 2026 (A+B+C)		**24,201.68**	**1,382.06**	**520.55**	**26,104.29**

Gross Portfolio Movement for the year ended 31st March 2025

Particulars		Stage I	Stage II	Stage III	Total
Gross carrying amount as at 01st April 2024		19,866.57	385.81	619.36	20,871.74
Total	**(A)**	**19,866.57**	**385.81**	**619.36**	**20,871.74**
Inter-stage movements					
Stage I		(652.75)	463.60	189.15	-
Stage II		0.68	(18.08)	17.40	-
Stage III		0.03	0.02	(0.05)	-
Total	**(B)**	**(652.04)**	**445.54**	**206.50**	**-**
New assets originated, repaid and derecognised during the year		1,201.67	345.51	(503.43)	1,043.75
Total	**(C)**	**1,201.67**	**345.51**	**(503.43)**	**1,043.75**
Gross carrying amount as at 31st March 2025 (A+B+C)		**20,416.20**	**1,176.86**	**322.43**	**21,915.49**

ECL movement during the year ended 31st March 2026

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	171.70	152.14	234.66	558.50
Provision made/ (reversed) during the year	66.17	35.52	242.58	344.27
Write off	(2.02)	(18.98)	(122.58)	(143.58)
Closing Balance	235.85	168.68	354.66	759.19

ECL movement during the year ended 31st March 2025

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	96.07	49.90	450.90	596.87
Provision made/ (reversed) during the year	77.54	104.56	(57.95)	124.15
Write off	(1.91)	(2.32)	(158.29)	(162.52)
Closing Balance	171.70	152.14	234.66	558.50

9 INVESTMENTS

Particulars	As at 31st March, 2026	As at 31st March, 2025
Investment in NCDs (at amortised cost)		
50 (31st March 2025: Nil) debentures of INR 10,000 each of IIFL Samasta Finance Limited	0.49	-
Investment in security receipts (at fair value through profit or loss)		
800,000 (31st March 2025: 800,000) receipts of INR 1000 each fully paid-up of Phoenix Trust	587.20	658.40
1,242,782 (31st March 2025: 1,242,782) receipts of INR 1000 each fully paid-up of CFMARC Trust-170	879.35	1,242.78
619,470 (31st March 2025: Nil) receipts of INR 1000 each fully paid-up of ARCIL Trust-2026-025	619.47	-
	2,086.51	**1,901.18**
Less: Impairment loss allowance	(479.20)	(329.60)
Total	**1,607.31**	**1,571.58**
Investment in India	1,607.31	1,571.58
Investment outside India	**-**	**-**
Total	**1,607.31**	**1,571.58**

10 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security deposits		
Unsecured, considered good	13.01	9.54
Other Assets		
Retained interest on asset assigned	163.93	83.56
Employee loans	22.18	17.49
Other financial assets	735.06	180.73
Less: Impairment loss allowance*	(22.17)	(12.00)
	912.01	**279.32**

*Represent impairment loss allowance on retained interest on asset assigned and employee loans (considered doubtful).

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

11 PROPERTY, PLANT AND EQUIPMENT

Particulars	Right of use assets (refer note 34)	Furniture and fixtures	Vehicles	Leasehold Improvements	Computers	Office equipments	Total
Gross block (at cost)							
At 31st March 2024	69.39	54.56	19.93	36.08	93.40	58.91	332.27
Addition	1.31	12.66	4.48	-	12.56	14.36	45.37
Disposals	-	(0.90)	-	-	(0.25)	(1.78)	(2.93)
Adjustments	0.08	-	-	-	-	-	0.08
At 31st March 2025	**70.78**	**66.32**	**24.41**	**36.08**	**105.71**	**71.49**	**374.79**
Addition	48.36	12.36	1.59	0.12	11.82	9.15	83.40
Disposals	-	(1.48)	-	(1.28)	(7.14)	(2.94)	(12.84)
Adjustments	(0.04)	-	-	-	-	-	(0.04)
At 31st March 2026	**119.10**	**77.20**	**26.00**	**34.92**	**110.39**	**77.70**	**445.31**
Depreciation							
At 31st March 2024	56.12	17.10	7.57	24.90	62.05	13.68	181.42
Charge for the year	6.02	5.74	2.62	3.03	16.94	6.22	40.57
Disposals	-	(0.58)	-	-	(0.10)	(0.90)	(1.58)
At 31st March 2025	**62.14**	**22.26**	**10.19**	**27.93**	**78.89**	**19.00**	**220.41**
Charge for the year	8.83	6.57	3.03	1.32	14.43	6.94	41.12
Disposals	-	(0.83)	-	(1.18)	(6.77)	(1.52)	(10.30)
At 31st March 2026	**70.97**	**28.00**	**13.22**	**28.07**	**86.55**	**24.42**	**251.23**
Net Carrying Amount							
At 31st March 2024	13.27	37.46	12.36	11.18	31.35	45.23	150.85
At 31st March 2025	8.64	44.06	14.22	8.15	26.82	52.49	154.38
At 31st March 2026	**48.13**	**49.20**	**12.78**	**6.85**	**23.84**	**53.28**	**194.08**

Intangible assets

Particulars	Software	Licenses	Total
Gross block (at cost)			
At 31st March 2024	16.96	15.34	32.30
Addition	13.06	3.55	16.61
At 31st March 2025	**30.02**	**18.89**	**48.91**
Addition	-	-	-
At 31st March 2026	**30.02**	**18.89**	**48.91**
Amortization			
At 31st March 2024	9.35	9.94	19.29
Charge for the year	3.35	1.63	4.98
At 31st March 2025	**12.70**	**11.57**	**24.27**
Charge for the year	4.08	1.91	5.99
At 31st March 2026	**16.78**	**13.48**	**30.26**
Net Carrying Amount			
At 31st March 2024	7.61	5.40	13.01
At 31st March 2025	17.32	7.32	24.64
At 31st March 2026	**13.24**	**5.41**	**18.65**

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

12 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Prepaid expenses	84.82	58.89
Balances with statutory / government authorities	2.32	11.98
Other Non Financial Assets	2.50	12.98
	89.64	**83.85**

13 PAYABLES

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Payables		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	9.59	0.43
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	8.84	0.06
Other Payables		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	9.66	7.56
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12.17	10.30
	40.26	**18.35**

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Ageing for payables outstanding as at 31st March 2026 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	19.25	-	-	-	**19.25**
(ii) Others	21.01	-	-	-	21.01
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing for payables outstanding as at 31st March 2025 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	7.93	0.06	-	-	**7.99**
(ii) Others	10.18	0.18	-	-	10.36
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006:

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	19.25	7.99
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14 (a) Debt Securities (at amortised cost)

	As at 31st March, 2026	As at 31st March, 2025
Secured Debentures*		
NIL (31st March 2025: 320), Series V, 12.25% Secured, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 06th October 2015. 15 Put option is available after 7 years from the date of allotment.	-	3.20
NIL (31st March 2025: 35), Series V, 12.25% Secured, Compounded, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 06th October 2015. Put option is available after 7 years from the date of allotment.	-	0.98
300 (31st March 2025: 300), Series XIII, 13.20% Secured, Simple, Redeemable, Non-Convertible Debentures of INR 1,000,000 each. The date of allotment was 30th June, 2022.	309.87	309.87
187 (31st March 2025: 187), Series XII, 12.45% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 750,000 each. The date of allotment was 23rd May, 2022.	146.06	194.58
250 (31st March 2025: 250), Series XV, 13.00% Secured, Simple, Redeemable, Non-Convertible Debentures of INR 1,000,000 each. The date of allotment was 22nd September 2023.	249.71	249.54
187 (31st March 2025: 187), Series XI, 12.45% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 1,000,000 each. The date of allotment was 31st March, 2022.	197.88	197.70
1,910 (31st March 2025: 1,910), Series VI, 10.80% Secured, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 13th July 2018. Put option is available after 8 years from the date of allotment.	19.00	18.98

	As at 31st March, 2026	As at 31st March, 2025
2,690 (31st March 2025: 2,690), Series VI, 10.85% Secured, Compounded, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 13th July 2018. Put option is available after 8 years from the date of allotment.	56.61	51.38
3500 (31st March 2025: 3500), Series XVI, 12.80% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 1,000,000 each. The date of allotment was 30th April 2024.	-	350.00
1,000 (31st March 2025: 1,000), Series XVIII, 12.80% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 02nd May 2024.	100.00	99.91
500 (31st March 2025: 500), Series XVII, Secured, Listed, Rated, Redeemable, US dollar denominated bonds of USD 10,000 each. The date of allotment was 30th April 2024.	494.59	448.64
500 (31st March 2025: 500), Series XXI, Secured, Listed, Rated, Redeemable, US dollar denominated bonds of USD 10,000 each. The date of allotment was 31st May 2024.	487.30	441.70
500 (31st March 2025: 500), Series XIX, Secured, Listed, Rated, Redeemable, US dollar denominated bonds of USD 10,000 each. The date of allotment was 26th June 2024.	490.28	444.19
5,000 (31st March 2025: 5,000), Series XX, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 02nd July 2024.	500.97	487.37
3,500 (31st March 2025: 3,500), Series XXIII, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 27th August 2024.	347.70	341.37
2,000 (31st March 2025: 2,000), Series XXII, 8.69% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 28,571.43 each. The date of allotment was 11th July 2024.	57.43	166.09
133 (31st March 2025: 133), Series XXIV, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 1,000,000 each. The date of allotment was 19th September 2024.	-	132.86
25,000 (31st March 2025: NIL), Series XXV, 12.00% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 14th May 2025.	248.77	-
5,000 (31st March 2025: NIL), Series XXVI, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 27th May 2025.	489.15	-
50,000 (31st March 2025: NIL), Series XXVII, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 14th June 2025.	497.76	-
50,000 (31st March 2025: NIL), Series XXVIII, 12.00% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 21st August 2025.	496.67	-
5,000 (31st March 2025: NIL), Series XXIX, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 30th September 2025.	485.68	-

	As at 31st March, 2026	As at 31st March, 2025
5,000 (31st March 2025: NIL), Series XXXII, 11.70% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 30th December 2025.	492.35	-
50,000 (31st March 2025: NIL), Series XXX, 12.00% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 20th November 2025.	495.55	-
5,000 (31st March 2025: NIL), Series XXXI, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 27th November 2025.	484.65	-
50,000 (31st March 2025: NIL), Series XXXIII, 12.15% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 10,000 each. The date of allotment was 28th January 2026.	491.25	-
5,000 (31st March 2025: NIL), Series XXXIV, 10.75% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 25th February 2026.	485.43	-
5,000 (31st March 2025: NIL), Series XXXV, 11.70% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 17th March 2026.	492.23	-
3,500 (31st March 2025: NIL), Series XXXVI, 11.90% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of INR 100,000 each. The date of allotment was 30th March 2026.	346.13	-
Unsecured Debentures		
272 (31st March 2025: 272), Series VIII, 15.18% Unsecured, Simple, Non-Convertible Debentures of INR 1,000,000 each redeemable within 2 to 4 years from the date of allotment i.e. 21st December 2022.	205.33	273.81
3,500 (31st March 2025: NIL), Series IX, 13.75% Unsecured, Simple, Non-Convertible Debentures of INR 100,000 each redeemable within 1 to 3 years from the date of allotment i.e. 12th December 2025.	351.36	-
2,000 (31st March 2025: NIL), Series X, 11.80% Unsecured, Simple, Non-Convertible Debentures of INR 100,000 each redeemable within 5 years from the date of allotment i.e. 18th December 2025.	204.85	-
Borrowing under securitisation arrangement**		
From Banks	2,857.89	123.28
From non-banking financial companies	386.91	-
Total Debt Securities	**12,969.36**	**4,335.45**

*The above debentures are secured by hypothecation of moveable property (assets given as loans, financial or other investments, receivables on loans, marketable or other securities including shares, rights, present and/or future receivables relating to loans and advances and other movable assets).

**The securitisation liabilities are secured by hypothecation of loans and margin money deposits.

(b) Borrowings (Other than Debt Securities at amortised cost)

	As at 31st March, 2026	As at 31st March, 2025
Term Loans (Secured)*		
Banks	7,642.06	8,008.77
Non-banking financial companies	2,853.77	4,678.13
External commercial borrowings	2,379.50	2,574.46
Overdraft facility	180.78	0.07
Term Loans (Unsecured)		
Others	415.96	-
Total Borrowings (Other than Debt Securities)	**13,472.07**	**15,261.43**
***Nature of Security for Term Loans:**		
Secured by hypothecation (exclusive charge) of loans and margin money deposits	4,571.59	6,897.40
Secured by hypothecation (exclusive charge) of loans	8,484.17	8,361.60
Secured by fixed assets (Car Loan)	0.35	2.43
Total Outstanding	**13,056.11**	**15,261.43**

(c) Subordinated Liabilities (at amortised cost)

	As at 31st March, 2026	As at 31st March, 2025
Unsecured Debentures		
720 (31st March 2025: 720), Series III, 11.00% - 11.25% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 23rd July 2016.	-	7.20
1,365 (31st March 2025: 1365), Series III, 11.00% - 11.25% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 23rd July 2016.	-	32.67
2,350 (31st March 2025: 2,350), Series IV, 10.60% - 11.10% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 30th September 2019.	3.47	23.39
9,310 (31st March 2025: 9,310), Series IV, 10.85% - 11.50% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 30th September 2019.	129.97	162.29
820 (31st March 2025: 820), Series IV, 10.60% - 11.10% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 29th October 2019.	8.20	8.15
2,170 (31st March 2025: 2,170), Series IV, 10.85% - 11.50% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. 29th October 2019.	41.69	37.64

	As at 31st March, 2026	As at 31st March, 2025
8,710 (31st March 2025: 8,710), Series V, 10.00% - 10.80% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 09th February 2021.	86.25	86.10
18,810 (31st March 2025: 18,810), Series V, 10.10% - 11.10% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 09th February 2021.	309.87	280.39
8,810 (31st March 2025: 8810), Series VI, 9.95% - 10.50% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 02nd July 2021.	135.59	123.60
3,650 (31st March 2025: 3650), Series VI, 9.50% - 10.00% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 02nd July 2021.	36.13	36.06
6,730 (31st March 2025: 6,730), Series VII, 9.50% - 10.00% Unsecured, Simple, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 18th August 2022.	66.65	66.50
9,710 (31st March 2025: 9,710), Series VII, 10.00% - 10.75% Unsecured, Compounded, Non-Convertible Debentures of INR 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. 18th August 2022.	135.10	122.92
Preference shares other than those that qualify as Equity		
NCPS*	267.95	241.32
Total Subordinated Liabilities	**1,220.87**	**1,228.23**
	27,662.30	**20,825.11**
Borrowings in India	24,376.70	18,250.65
Borrowings outside India	3,285.60	2,574.46
Total	**27,662.30**	**20,825.11**

*In the event of liquidation of the Company before redemption of NCPS, the holders of all classes of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(d) Terms of conversion/ redemption of NCPS

5,550,000 (31st March 2024: 10,150,000) NCPS of INR10 each fully paid-up issued at a premium of INR 10 per share carry a cumulative dividend @ 0.01% p.a. NCPS are compulsorily redeemable within four years to ten years from the date of allotment at a premium of INR 10 each. The date of allotment was 13th October 2017.

175,000 (31st March 2024: 750,000) NCPS of INR10 each fully paid-up issued at a premium of INR 10 per share carry a cumulative dividend @ 0.01% p.a. NCPS are compulsorily redeemable within four years to ten years from the date of allotment at a premium of INR 10 each. The date of allotment was 15th January 2018.

Terms of repayment of borrowings as on 31st March 2026

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total	
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount		
Debt Securities											
Monthly	9.01%-12.00%	12	2,929.61	4	311.15	-	-	-	-	3,240.76	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-	-
Quarterly	6.01%-9.00%	2	57.14	-	-	-	-	-	-	57.14	-
	9.01%-12.00%	-	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-	-
	15.01%-18.00%	-	-	-	-	-	-	-	-	-	-
Half Yearly	9.01%-12.00%	-	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-	-
	15.01%-18.00%	-	-	-	-	-	-	-	-	-	-
Yearly	9.01%-12.00%	-	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	5	531.25	-	-	-	-	-	-	531.25	-
	15.01%-18.00%	-	-	-	-	-	-	-	-	-	-
Bullet	9.01%-12.00%	7	2,146.00	7	3,350.00	2	700.00	-	-	6,196.00	-
	12.01%-15.00%	3	487.50	7	2,265.10	-	-	-	-	2,752.60	-
	15.01%-18.00%	-	-	-	-	-	-	-	-	-	-
Sub-total (A)		**29**	**6,151.50**	**18**	**5,926.25**	**2**	**700.00**	**-**	**-**	**12,777.75**	
Borrowings (Other than Debt Securities)											
Monthly	5.01%-9.00%	2	0.36	-	-	-	-	-	-	0.36	-
	9.01%-12.00%	273	4,277.94	114	1,892.54	-	-	-	-	6,170.48	-
	12.01%-15.00%	212	1,913.46	88	1,191.82	-	-	-	-	3,105.28	-
Quarterly	5.01%-9.00%	4	133.33	-	-	-	-	-	-	133.33	-
	9.01%-12.00%	14	538.48	5	115.78	-	-	-	-	654.26	-
	12.01%-15.00%	15	418.73	2	37.50	-	-	-	-	456.23	-

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Half Yearly	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Bullet	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	1	103.41	4	1,862.91	1.00	400.00	-	-	2,366.32
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Sub-total (B)		**521**	**7,385.71**	**213**	**5,100.55**	**1**	**400.00**	**-**	**-**	**12,886.26**
Subordinated Liabilities										
Bullet	0.01%-3.00%	-	-	2	114.50	-	-	-	-	114.50
	9.01%-12.00%	2	13.40	6	103.80	6	309.80	4	237.50	664.50
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Sub-total (C)		**2**	**13.40**	**8**	**218.30**	**6**	**309.80**	**4**	**237.50**	**779.00**
Total (A+B+C)		**552**	**13,550.61**	**239**	**11,245.10**	**9**	**1,409.80**	**4**	**237.50**	**26,443.01**

*The amounts mentioned above represents only principal outstanding on all types of borrowings.

Terms of repayment of borrowings as on 31st March 2025

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Debt Securities										
Monthly	9.01%-12.00%	8	122.93	-	-	-	-	-	-	122.93
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Quarterly	6.01%-9.00%	5	142.86	2	28.57	-	-	-	-	171.43
	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Half Yearly	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	3	133.33	-	-	-	-	-	-	133.33
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Yearly	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	1	46.75	3	327.25	-	-	-	-	374.00
	15.01%-18.00%	2	68.00	2	204.00	-	-	-	-	272.00
Bullet	9.01%-12.00%	-	-	4	896.00	-	-	-	-	896.00
	12.01%-15.00%	3	353.55	6	1,902.60	-	-	-	-	2,256.15
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Sub-total (A)		**22**	**867.42**	**17**	**3,358.42**	**-**	**-**	**-**	**-**	**4,225.84**
Borrowings (Other than Debt Securities)										
Monthly	5.01%-9.00%	12	2.06	2	0.36	-	-	-	-	2.42
	9.01%-12.00%	322	4,344.45	155	1,930.86	1	9.72	-	-	6,285.03
	12.01%-15.00%	308	2,453.90	125	945.60	-	-	-	-	3,399.50
Quarterly	5.01%-9.00%	2	44.47	-	-	-	-	-	-	44.47
	9.01%-12.00%	25	817.21	14	500.82	-	-	-	-	1,318.03
	12.01%-15.00%	41	1,297.59	11	343.74	-	-	-	-	1,641.33

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Half Yearly	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Bullet	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	1	398.20	-	-	-	-	-	-	398.20
	12.01%-15.00%	-	-	5	1,966.32	-	-	-	-	1,966.32
Sub-total (B)		**711**	**9,357.88**	**312**	**5,687.70**	**1**	**9.72**	**-**	**-**	**15,055.30**
Subordinated Liabilities										
Bullet	0.01%-3.00%	-	-	2	114.50	-	-	-	-	114.50
	9.01%-12.00%	4	67.05	4	35.40	8	138.40	6	490.70	731.55
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Sub-total (C)		**4**	**67.05**	**6**	**149.90**	**8**	**138.40**	**6**	**490.70**	**846.05**
Total (A+B+C)		**737**	**10,292.35**	**335**	**9,196.02**	**9**	**148.12**	**6**	**490.70**	**20,127.19**

15 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2026	As at 31st March, 2025
Employee benefits payable	58.17	33.20
Loans pending disbursement	-	-
Payable towards direct assignment transactions	250.90	189.27
Payable towards ARC transaction	87.33	2.18
Unclaimed Dividend	0.14	0.54
Application money received for allotment of securities and due for refund	-	-
Calls received in advance on share issue	-	0.23
Lease liability (refer note 34)	53.11	11.09
Other payable	75.29	113.99
	524.94	**350.50**

16 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for tax (net of advance income tax)	8.26	10.31
	8.26	**10.31**

17 PROVISIONS

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Provision for gratuity	48.01	30.05
Provision for compensated absences	8.45	6.15
	56.46	**36.20**

18 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statutory Dues Payable	57.45	55.88
	57.45	**55.88**

19 EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised		
53,000,000 (31st March 2025: 53,000,000) equity shares of INR 10 each	530.00	530.00
Total	**530.00**	**530.00**
Issued and subscribed		
52,373,407 (31st March 2025: 52,373,407) equity shares of INR 10 each	523.73	523.73
Total	**523.73**	**523.73**
Paid-up		
45,570,162 (31st March 2025: 45,570,162) equity shares of INR 10 each fully paid up	455.70	455.70
6,803,245 (31st March 2025: 6,803,245) equity shares of INR 10 each paid up to the extent of INR 10 per share (31st March 2025: INR 10 per share)	68.03	68.03
Total	**523.73**	**523.73**

(a) Terms / rights attached to equity shares

The Company has only one class of fully paid and one class of partly-paid equity shares of face value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	31st March, 2026		31st March, 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	52,373,407	523.73	52,373,407	523.73
Issued during the year	-	-	-	-
Outstanding at the end of the year	**52,373,407**	**523.73**	**52,373,407**	**523.73**

Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	31st March, 2026		31st March, 2025	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Kitara PIIN 1501	20,980,250	40.06%	20,980,250	40.06%
Ranjit Kaur Chhokar	5,125,500	9.79%	5,125,500	9.79%
ICICI Bank Limited	5,228,169	9.98%	5,228,169	9.98%
Amardeep Singh Samra	3,675,554	7.02%	3,675,554	7.02%
International Township Developers Pvt. Ltd.	3,020,914	5.77%	3,020,914	5.77%

(c) Shareholding of Promoters in the Company:

For year ended 31st March 2026

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
S. No.	Promoter Name			
1	Amardeep Singh Samra	3,675,554	7.02%	0.00%
2	Gagan Samra	825,443	1.58%	0.00%
3	Hamco Ispat Private Limited	316,750	0.60%	0.00%
4	Sneh Bhandari	1,053,572	2.01%	0.93%
5	Ranjit Kaur Chhokar	5,125,500	9.79%	0.00%
6	Inderjit Vasudev	355,300	0.68%	0.00%
	Total	**11,352,119**	**21.68%**	**0.93%**

For year ended 31st March 2025

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
S. No.	Promoter Name			
1	Amardeep Singh Samra	3,675,554	7.02%	-0.70%
2	Gagan Samra	825,443	1.58%	-0.16%
3	Hamco Ispat Private Limited	316,750	0.60%	-0.06%
4	Vijay Kumar Bhandari*	489,486	0.93%	-0.09%
5	Sneh Bhandari	564,086	1.08%	-0.11%
6	Ranjit Kaur Chhokar	5,125,500	9.79%	-0.70%
7	Inderjit Vasudev	355,300	0.68%	-0.07%
	Total	**11,352,119**	**21.68%**	**-1.89%**

*deceased on 08th October 2024.

20 INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised		
3,000,000 (31st March 2025: 3,000,000) preference shares of INR150 each	450.00	450.00
30,000,000 (31st March 2025: 30,000,000) preference shares of INR10 each	300.00	300.00
Total	**750.00**	**750.00**
Issued and subscribed		
2,771,559 (31st March 2025: 2,771,559) Cumulative Compulsorily Convertible Preference Shares of INR150 each	415.73	415.73
6,314,583 (31st March 2025: 6,314,583) Cumulative Compulsorily Convertible Preference Shares of INR10 each	63.15	63.15
Total	**478.88**	**478.88**
Paid-up		
2,771,559 (31st March 2025: 2,771,559) Cumulative Compulsorily Convertible Preference Shares of INR150 each fully paid up	415.74	415.74
6,314,583 (31st March 2025: 6,314,583) Cumulative Compulsorily Convertible Preference Shares of INR10 each paid up to the extent of INR 10 per share (31st March 2025: INR 3 per share)	63.14	63.14
Less: Calls in arrear on 965,646 (31st March 2025: 3,027,967) Cumulative Compulsorily Convertible Preference Shares of INR10 each to the extent of INR 7 per share (31st March 2025:INR 7 per share)	(6.76)	(21.20)
	472.12	**457.68**

(a) Terms / rights attached to cumulative compulsorily convertible preference shares

1. The Company has 2,771,559, 0.01% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of INR 150 per CCCPS. The terms of CCCPS are as follows:
   (i) Tenor & Conversion: On or before 10 (Ten) years.
   (ii) CCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the CCCPS shall rank senior in all respects with the existing Equity Shares of the Company.
   (iii) Priority with respect to payment of dividend : CCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend.
2. The Company has 6,314,583, 0.01% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of INR 160 per CCCPS (face value of INR 10 and premium of INR 150 per CCCPS). The terms of CCCPS are as follows:
   (i) Tenor & Conversion: On or before 10 (Ten) years.
   (ii) CCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the CCCPS shall rank senior in all respects with the existing Equity Shares of the Company.
   (iii) Priority with respect to payment of dividend : CCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

(b) Reconciliation of the number of CCCPS outstanding at the beginning and at the end of the year:

Particulars	31st March, 2026		31st March, 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,086,142	457.68	9,086,142	434.68
Issued during the year				
-Partly paid CCCPS	-	-	-	23.00
Calls in arrear received	-	14.44	-	-
Outstanding at the end of the year	**9,086,142**	**472.12**	**9,086,142**	**457.68**

(c) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	31st March, 2026		31st March, 2025	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Kitara PIIN 1501	981,399	11.67%	981,399	14.09%
Ranjit Kaur Chhokar*	1,699,000	16.06%	1,699,000	13.41%
Amardeep Singh Samra	1,145,000	13.61%	1,145,000	13.14%
International Township Developers Pvt. Ltd.**	893,000	8.26%	746,000	3.86%

*includes 497,946 (31st March 2025: 1,092,572) partly-paid CCCPS.

**includes 283,625 (31st March 2025: 681,500) partly-paid CCCPS.

(d) Shareholding of Promoters:

For year ended 31st March 2026

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
S. No.	Promoter Name			
1	Amardeep Singh Samra	1,145,000	13.61%	0.47%
2	Gagan Samra	260,000	3.09%	1.97%
3	Ranjit Kaur Chhokar**	1,699,000	16.06%	2.65%
4	Vijay Kumar Bhandari^	175,000	2.08%	-0.43%
5	Sneh Bhandari	175,000	2.08%	-0.43%
	Total	**3,454,000**	**36.92%**	**4.23%**

**includes 497,946 partly-paid CCCPS.

^deceased on 08th October 2024.

For year ended 31st March 2025

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
S. No.	**Promoter Name**			
1	Amardeep Singh Samra*	1,145,000	13.14%	5.78%
2	Gagan Samra***	260,000	1.12%	-0.55%
3	Ranjit Kaur Chhokar**	1,699,000	13.41%	3.03%
4	Vijay Kumar Bhandari^	175,000	2.51%	1.38%
5	Sneh Bhandari	175,000	2.51%	1.38%
	Total	**3,454,000**	**32.69%**	**11.02%**

*includes 328,000 partly-paid CCCPS.
**includes 1,092,572 partly-paid CCCPS.
***represents partly-paid CCCPS.
^deceased on 08th October 2024.

21 OTHER EQUITY

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities premium (refer Note 21.1)		
Balance as per the last financial statements	3,276.04	2,216.75
Add: Premium on issue of partly paid equity shares	-	714.34
Add: Premium on issue of partly paid CCCPS	-	663.03
Add: Premium on Calls in arrear	216.55	-
Less: Calls in arrear-CCCPS	-	(317.94)
Less: Share issue expenses	-	(0.14)
Closing balance	**3,492.59**	**3,276.04**
Share Application Money Pending Allotment (refer Note 21.2)		
Balance as per the last financial statements	-	-
Add: Calls in arrear received -CCCPS	1.01	-
Closing balance	**1.01**	**-**
Debenture redemption reserve (refer Note 21.3)		
Balance as per the last financial statements	36.63	36.63
Closing balance	**36.63**	**36.63**
Capital redemption reserve (refer Note 21.4)		
Balance as per the last financial statements	106.20	42.80
Add: amount transferred from surplus balance in the statement of profit and loss	-	63.40
Closing balance	**106.20**	**106.20**
Statutory reserve (refer Note 21.5)		
Balance as per the last financial statements	446.10	392.75
Add: Amount transferred from surplus of profit and loss	69.53	53.35
Closing balance	**515.63**	**446.10**

Particulars	As at 31st March, 2026	As at 31st March, 2025
Retained earnings (refer Note 21.6)		
Balance as per the last financial statements	1,400.83	1,284.69
Add: Profit for the year	347.64	266.73
Less: Transfer to Statutory Reserve [As required by Sec 45-IC of Reserve Bank of India Act, 1934]	(69.53)	(53.35)
Less: Dividend on equity shares	-	(31.90)
Less: Dividend on CCCPS	(0.04)	(1.94)
Less: Transfer to Capital Redemption Reserve	-	(63.40)
Closing balance	**1,678.90**	**1,400.83**
Share options outstanding account (refer Note 21.7)		
Balance at the beginning of the year	0.59	-
Fair value of stock option	1.43	0.59
Closing balance	**2.02**	**0.59**
Other comprehensive income		
Re-measurement gain on defined benefit plans (refer Note 21.8)		
Balance as per the last financial statements	14.48	10.55
Add: Other comprehensive income	7.44	3.93
Closing balance	**21.92**	**14.48**
Cashflow hedge reserve (refer Note 21.9)		
Balance as per the last financial statements	(70.54)	(16.36)
Add: Other comprehensive income	46.76	(54.18)
Closing balance	**(23.78)**	**(70.54)**
Total other equity	**5,831.12**	**5,210.33**

Nature and purpose of reserves

21.1 Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

21.2 Share Application Money Pending Allotment

Share Application Money Pending Allotment is the amount received by a company from applicants against Calls in arrear -CCCPS and pending for allotment.

21.3 Debenture redemption reserve

The Companies Act 2013 required companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

As per the Companies (Share Capital and Debentures) Amendment Rules, 2020 issued vide MCA notification dated 16th August 2020, NBFCs registered with RBI under section 45-IA of RBI Act, 1934 have been exempted from the creation of Debenture Redemption Reserve in case of debentures.

21.4 Capital redemption reserve

Where the preference shares are redeemed out of the profits available for distribution, a sum equivalent to the nominal amount of shares being redeemed shall be transferred to the Capital Redemption Reserve. The CRR can be utilised for issue of bonus shares.

21.5 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

21.6 Retained earnings

Retained earnings represents the surplus in Profit and Loss Account and appropriations. The Company also recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

21.7 Share options outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

21.8 Re-measurement gain on defined benefit plans

Remeasurement of the net defined benefit liabilities comprise actuarial gain/ loss.

21.9 Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

22 INTEREST INCOME

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Measured at amortised cost		
Interest on loan portfolio	5,601.27	5,703.93
Interest on fixed deposits	190.24	251.31
Interest on margin money deposits*	100.90	87.06
Interest income on unwinding of assigned portfolio	(19.74)	(4.56)
	5,872.67	**6,037.74**

*This represent interest on margin money deposits placed with banks to avail term loans from banks and financial institutions and placed as cash collateral in connection with securitisation transactions.

23 FEES AND COMMISSION INCOME

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Servicer fee and facilitation charges	230.83	250.84
	230.83	**250.84**

24 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Net gain on derecognition of financial instruments under amortised cost category	266.07	68.52
	266.07	**68.52**

25 OTHER INCOME

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Profit on sale of mutual fund units	3.09	1.12
Miscellaneous income	102.27	6.31
	105.36	**7.43**

26 FINANCE COST

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Interest		
On Debt Securities	973.58	495.85
On Borrowings (Other than Debt Securities)	1,627.42	2,068.18
On Subordinated Liabilities	136.59	142.39
On Others	23.79	7.06
Other finance cost	20.89	8.30
	2,782.27	**2,721.78**

27 NET LOSS ON FAIR VALUE CHANGES

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Investment in security receipts	149.60	157.40
	149.60	**157.40**

28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Measured at amortised cost		
Impairment on loans	200.68	(38.36)
Less: Receivable under credit guarantee scheme	(402.35)	-
Portfolio Loans written off	558.18	452.06
Loss on transfer of stressed loans	339.04	769.82
Impairment on other financial assets	6.75	(4.69)
	702.30	**1,178.83**

29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Salaries, wages and bonus	1,413.44	1,173.65
Contribution to provident fund and other funds	132.02	96.70
Expense for employee stock option plan	1.43	0.59
Staff welfare expenses	7.79	7.69
	1,554.68	**1,278.63**

30 OTHER EXPENSES

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Rent including lease rent (refer note 34)	131.01	112.15
Rates and taxes	63.31	45.76
Bank charges	0.29	0.31
Cash deposit charges	37.24	43.47
Insurance	65.33	31.71
Training Expenses	3.70	6.79
Business Promotion	7.83	3.75
Repairs and maintenance	15.18	15.17
Electricity charges	18.40	17.33
Travelling expenses	261.05	204.71
Communication expenses	58.96	46.25
Credit information service charges	23.82	22.51
Printing and stationery	29.02	16.76
Software expenses	34.48	30.44
Legal and professional charges	29.01	18.70
Directors sitting fees	0.35	0.35
Remuneration to directors	1.50	1.80
Auditors remuneration (refer details below)	3.00	2.35
CSR Expenses	12.55	12.32
Loss on sale of fixed assets	1.93	0.84
Other provisions	3.59	3.20
Miscellaneous expenses	19.61	19.06
	821.16	**655.73**
Payment to auditors		
As auditor:		
Audit fee	2.25	1.45
Limited review fee	0.75	0.70
Out of pocket expenses	-	0.20
	3.00	**2.35**

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

31 INCOME TAX EXPENSE

A. Income tax expense in the statement of profit and loss consists of:

	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Current Income Tax:		
Income Tax	105.55	121.24
Deferred Tax	(35.38)	(61.36)
Income Tax expense reported in the statement of profit or loss	**70.17**	**59.88**
Income tax recognised in other comprehensive income		
Deferred tax arising on re-measurement gain on defined benefit plans	2.51	1.32
Deferred tax arising on fair value income on derivative financial instruments	15.73	(18.22)
Total	**18.24**	**(16.90)**
Total income tax expense	**88.41**	**42.98**

B. Reconciliation between the provision of Income Tax of the Company and amounts computed by applying the Indian statutory Income Tax rate to profit before taxes is as follows:

	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Profit before tax	417.81	326.61
Enacted tax rates in India	25.17%	25.17%
Computed tax expense	105.16	82.21
Effect of :		
Non-deductible expenses	238.91	323.75
Additional tax allowances	(276.43)	(347.36)
Earlier year tax	2.53	1.11
Income taxable at Special Rate	-	0.17
Total Income Tax expense	**70.17**	**59.88**

C. Deferred Tax Assets (net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Effects of deferred tax assets/ liabilities :		
Deferred Tax Assets		
Impairment allowance for financial assets	189.24	135.36
Provisions allowable on payment basis	14.21	9.11
Impact on Loans using effective rate of Interest	45.96	38.38
Impact of capitalisation leases under Ind AS 116	1.26	0.62
Derivative instruments in Cash flow hedge relationship	8.00	23.73
Differences of written down value of Property, plant and equipment and Intangible assets	1.21	0.45
	259.88	**207.65**

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities		
Remeasurement gain/(loss) on defined benefit plan	-	(4.88)
Impact on Borrowings using effective rate of Interest	(42.50)	(22.51)
Impact of re-recognition of securitization transactions in books	(3.83)	(3.61)
Impact of upfronting of EIS with respect to assigned loans	(40.23)	(20.48)
	(86.56)	**(51.48)**
Net deferred tax assets/(liabilities)	**173.32**	**156.17**

Particulars	As at 01st April 2025	(Charged)/ credited to statement of profit and loss during the year	(Charged)/ credited to other comprehensive income during the year	As at 31st March 2026
Deferred Tax Assets				
Impairment allowance for financial assets	135.36	53.88	-	189.24
Provisions allowable on payment basis	9.11	7.61	(2.51)	14.21
Impact on Loans using effective rate of Interest	38.38	7.58	-	45.96
Impact of capitalisation leases under Ind AS 116	0.62	0.64	-	1.26
Derivative instruments in Cash flow hedge relationship	23.73	-	(15.73)	8.00
Differences of written down value of Property, plant and equipment and Intangible assets	0.45	0.76	-	1.21
	207.65	**70.47**	**(18.24)**	**259.88**
Deferred Tax Liabilities				
Remeasurement gain/(loss) on defined benefit plan	(4.88)	4.88	-	-
Impact on Borrowings using effective rate of Interest	(22.51)	(19.99)	-	(42.50)
Impact of re-recognition of securitization transactions in books	(3.61)	(0.22)	-	(3.83)
Impact of upfronting of EIS with respect to assigned loans	(20.48)	(19.75)	-	(40.23)
	(51.48)	**(35.08)**	**-**	**(86.56)**
Net deferred tax assets/(liabilities)	**156.17**	**35.39**	**(18.24)**	**173.32**

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Particulars	As at 01st April 2024	(Charged)/ credited to statement of profit and loss during the year	(Charged)/ credited to other comprehensive income during the year	As at 31st March 2025
Deferred Tax Assets				
Impairment allowance for financial assets	135.95	(0.59)	-	135.36
Provisions allowable on payment basis	7.87	2.56	(1.32)	9.11
Impact on Loans using effective rate of Interest	36.92	1.46	-	38.38
Impact of capitalisation leases under Ind AS 116	3.59	(2.97)	-	0.62
Derivative instruments in Cash flow hedge relationship	5.51	-	18.22	23.73
Differences of written down value of Property, plant and equipment and Intangible assets	0.30	0.15	-	0.45
	190.14	**0.61**	**16.90**	**207.65**
Deferred Tax Liabilities				
Remeasurement gain/(loss) on defined benefit plan	(3.56)	(1.32)	-	(4.88)
Impact on Borrowings using effective rate of Interest	(17.27)	(5.24)	-	(22.51)
Impact of re-recognition of securitization transactions in books	-	(3.61)	-	(3.61)
Impact of upfronting of EIS with respect to assigned loans	(91.40)	70.92	-	(20.48)
	(112.23)	**60.75**	**-**	**(51.48)**
Net deferred tax assets/(liabilities)	**77.91**	**61.36**	**16.90**	**156.17**

32 EARNING PER SHARE

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Net profit after tax as per Statement of Profit and Loss	347.64	266.74
Less: Dividend on CCCPS	0.04	1.94
Net profit for calculation of basic earnings per share	**347.68**	**268.68**
Net profit as above	347.68	268.68
Add: Dividend on CCCPS	0.04	1.94
Net profit for calculation of diluted earnings per share	**347.72**	**270.62**

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Calculation of weighted average number of equity shares for basic EPS		
Equity shares		
Opening No. of shares	52,373,407	47,611,136
Add: Issued during the year	-	39,142
Weighted average number of equity shares for basic EPS	**52,373,407**	**47,650,277**
Effect of dilution		
Opening No. of shares	6,984,504	4,665,934
Issue of CCPS	727,684	18,909
Weighted average number of equity shares for diluted EPS	**60,085,595**	**52,335,121**
Basic earnings per share (In INR)	**6.64**	**5.56**
Diluted earnings per share (In INR)	**5.79**	**5.10**
Nominal value per share: INR 10 (Previous year: INR 10)		

33 SEGMENT INFORMATION

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 on 'Operating segments' notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company operates in a single geographical segment i.e. domestic.

34 LEASES

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

Particulars	31st March, 2026	31st March, 2025
Balance at the beginning of the year	8.64	13.27
Modification in Lease Term	(0.04)	0.08
Additions made during the year	48.36	1.31
Depreciation charged during the year	(8.83)	(6.02)
Derecognition of right-of-use assets	-	-
Balance at the end of the year	48.13	8.64

The carrying amounts of lease liabilities and the movements during the year are as follows:

Particulars	31st March, 2026	31st March, 2025
Balance at the beginning of the year	11.09	18.16
Modification in Lease Term	(0.04)	0.08
Additions made during the year	48.36	1.31
Derecognition of lease liability	-	-
Interest accretion for the year	6.06	1.92
Payments made during the year	(12.36)	(10.38)
Balance at the end of the year	53.11	11.09

The maturity analysis of lease liabilities is disclosed under Other financial liabilities in Note 41(b).

The followings are the amounts recognised in the statement of profit and loss:

Particulars	31st March, 2026	31st March, 2025
Depreciation expense in respect of right-of-use-of-asset	8.83	6.02
Interest Expense in respect of lease liabilities	6.06	1.92
Expense relating to short term lease (included in other expenses)	126.63	109.98
Total amount recognised in profit and loss	141.52	117.92

35 RELATED PARTIES

a. Related parties under Ind AS 24 with whom transactions have taken place during the year

Key Management Personnel

Amardeep Singh Samra	Managing Director
Amitesh Kumar	Chief Financial Officer & Chief Operating Officer
Sumit Bhojwani	Company Secretary (resigned w.e.f. 09th August 2024)
Kapil Kumar Ruhela	Company Secretary (w.e.f. 08th August 2024) & Chief Compliance Officer
Vijay Kumar Bhandari	Non-Executive Chairman (deceased on 08th October 2024)
Sachin Nityanand Kamath	Nominee Director
Shant Kumar Gupta	Independent Director (retired with effect from 08th April 2024, and reappointed with effect from 29th January 2026)
Kamna Raj Aggarwalla	Independent Women Director
Santokh Singh Chhokar	Non-Executive Director
Ashwani Kumar Jindal	Independent Director

Relatives of Key Management Personnel

Surinder Kaur Samra	Mother of Mr. Amardeep Singh Samra
Amarjit Singh Samra	Father of Mr. Amardeep Singh Samra
Anayat Samra	Daughter of Mr. Amardeep Singh Samra
Amarpreet Kaur	Sister of Mr. Amardeep Singh Samra
Sarvjit Singh Samra	Brother of Mr. Amardeep Singh Samra
Gagan Samra	Wife of Mr. Amardeep Singh Samra
Lata Kumari	Wife of Mr. Amitesh Kumar
Sneh Bhandari	Wife of Mr. V.K. Bhandari
Ashish Bhandari	Son of Mr. V.K. Bhandari
Ranjit Kaur Chhokar	Wife of Mr. Santokh Singh Chhokar
Neha Gupta	Wife of Shant Kumar Gupta
Prerna Bhandari	Daughter in Law of Mr. V.K. Bhandari
Ashish Gupta	Son of Mr. J.R. Gupta
Rekha Jindal	Wife of Ashwani Kumar Jindal
Isha Jindal	Daughter of Ashwani Kumar Jindal
Ashwani Kumar Jindal (HUF)	HUF of Ashwani Kumar Jindal
Tanul Jindal	Son of Ashwani Kumar Jindal

Investing party in respect of which the reporting enterprise is an associate:

Kitara PIIN 1501

Other related party in accordance with Ind AS 24:

Midland Foundation

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

b. Transactions with Related Parties and Outstanding balances

S. No	Related party	Nature of Transactions	Transaction during the year ended 31st March 2026	Transaction during the year ended 31st March 2025	(Payable)/ Receivables	
					31st March 2026	31st March 2025
1	Amardeep Singh Samra	Remuneration	24.71	24.71	-	-
		Rent	1.90	1.98	-	-
		Sitting fees	0.04	0.04	-	-
		Payment of Interest on Application money on CCPS	-	0.13	-	-
		Issue of fully paid compulsorily convertible preference shares (Including premium)	36.74	91.50	-	-
		Payment of dividend on equity shares	-	2.57	-	-
2	Amitesh Kumar	Remuneration	6.06	7.58	-	-
		Loans given & repayment thereof	-	-	-	0.53
		Payment of Interest on Application money on CCPS	-	0.01	-	-
		Issue of fully paid compulsorily convertible preference shares (Including premium)	2.46	6.92	-	-
		Payment of dividend on equity shares	-	0.18	-	-
3	Sumit Bhojwani	Remuneration	-	0.46	-	-
4	Kapil Kumar Ruhela	Remuneration	2.88	2.75	-	-
5	Surinder Kaur Samra	Rent	0.15	0.14	-	-
6	Anayat Samra	Professional fees	1.20	0.30	-	-
7	Amarpreet Kaur	Rent	0.65	0.65	-	-
8	Amarjit Singh Samra	Rent	0.15	0.14	-	-
9	Sarvjit Singh Samra	Rent	1.90	1.98	-	-
10	Gagan Samra	Issue of fully paid compulsorily convertible preference shares (Including premium)	29.12	-	-	-
		Payment of Interest on Application money on CCPS	-	0.03	-	-
		Payment of dividend on equity shares	-	0.58	-	-

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

S. No	Related party	Nature of Transactions	Transaction during the year ended 31st March 2026	Transaction during the year ended 31st March 2025	(Payable)/ Receivables	
					31st March 2026	31st March 2025
11	Lata Kumari	Rent	1.55	1.54	-	-
		Professional fees	1.92	-	-	-
12	Kitara PIIN 1501	Issue of fully paid equity shares (including premium)	-	680.15	-	-
		Payment of dividend on equity shares	-	10.44	-	-
		Payment of Interest on Application money on equity	-	1.21	-	-
		Payment of dividend on CCCPS	0.01	0.69	-	-
13	V.K. Bhandari	Issue of fully paid compulsorily convertible preference shares (Including premium)	-	19.60	-	-
		Payment of dividend on equity shares	-	0.34	-	-
		Director's Remuneration	-	0.30	-	-
		Payment of Interest on Application money on CCPS	-	0.02	-	-
		Sitting fees	-	0.02	-	(0.02)
14	Sachin Nityanand Kamath	Sitting fees	0.06	0.08	(0.04)	(0.06)
15	Ashwani Kumar Jindal	Director's Remuneration	0.30	0.30	(0.03)	(0.03)
		Sitting fees	0.08	0.07	-	-
		Payment of dividend on equity shares	-	0.13	-	-
16	Kamna Raj Aggarwalla	Issue of fully paid compulsorily convertible preference shares (Including premium)	-	0.75	-	-
		Director's Remuneration	0.30	0.30	(0.03)	(0.03)
		Payment of dividend on equity shares	-	0.01	-	-
		Sitting fees	0.05	0.06	-	-
17	Sneh Bhandari	Issue of fully paid compulsorily convertible preference shares (Including premium)	-	19.60	-	-
		Payment of dividend on equity shares	-	0.39	-	-
		Payment of Interest on Application money on CCPS	-	0.02	-	-
18	Ashish Bhandari	Issue of fully paid compulsorily convertible preference shares (Including premium)	-	33.60	-	-
		Payment of Interest on Application money on CCPS	-	0.04	-	-

S. No	Related party	Nature of Transactions	Transaction during the year ended 31st March 2026	Transaction during the year ended 31st March 2025	(Payable)/ Receivables	
					31st March 2026	31st March 2025
		Payment of dividend on equity shares	-	1.32	-	-
19	Ranjit Kaur Chhokar	Issue of fully paid compulsorily convertible preference shares (Including premium)	66.60	52.80	-	-
		Payment of dividend on CCCPS	-	0.09	-	-
		Payment of dividend on equity shares	-	3.59	-	-
20	Santokh Singh Chhokar	Payment of Interest on Application money on CCPS	-	0.01	-	-
		Sitting fees	0.04	0.04	-	(0.04)
21	Praveen Kumar Gupta	Sitting fees	0.08	0.04	-	-
		Director's Remuneration	0.90	0.90	(0.08)	(0.08)
22	Midland Foundation	Corporate Social Responsibility expenditure	12.55	12.32	-	-
23	Rekha Jindal	Payment of dividend on equity shares	-	0.14	-	-
24	Ashwani Kumar Jindal (HUF)	Payment of Interest on Debentures	-	0.12	-	-
25		Payment of dividend on equity shares	-	0.02	-	-
	Prerna Bhandari	Payment of dividend on equity shares	-	0.02	-	-
26	Tanul Jindal	Payment of dividend on equity shares	-	0.00	-	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

There are no contingent liabilities and commitments as at the end of the current year and the previous year.

37 FAIR VALUE MEASUREMENT

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value hierarchy of Asset and Liabilities measured at fair value

Particulars	As at 31st March 2026			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Asset				
– Forward currency swaps	-	460.99	-	**460.99**
At fair value through Profit and Loss				
Investments				
– Security Receipts	**-**	-	1,606.82	**1,606.82**
Total	**-**	**460.99**	**1,606.82**	**2,067.81**

Particulars	As at 31st March 2025			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Asset				
– Forward currency swaps	-	56.28	-	**56.28**
At fair value through Profit and Loss				
Investments				
– Security Receipts	**-**	-	1,571.58	**1,571.58**
Total	**-**	**56.28**	**1,571.58**	**1,627.86**

Fair Value hierarchy of Asset and Liabilities not measured at fair value

The management assessed that carrying value of financial asset and financial liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Valuation technique used

For Loan Portfolio

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the Balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage 2) are discounted assuming they will be received in the third month. Fair value of cash flows for stage 3 loans are assumed as carrying value less provision for expected credit loss.

For Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

For Derivatives

Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. These swaps are considered under Level 2 for fair valuation which is performed through discounted cash flow method by deriving future forward rates. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates and accordingly arrived at the valuation for a point of time.

38 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times (refer Note 48(i)).

Particulars	31st March, 2026	31st March, 2025
Debts	27,394.35	20,583.79
Net Worth	6,826.97	6,191.74
Debt to Net Worth (In times)	4.01	3.32

39 RETIREMENT BENEFITS

A. Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as expense towards such contribution are as follows:

Particulars	31st March, 2026	31st March, 2025
Employer's contribution to Provident Fund and Employee State Insurance	83.49	83.49

B. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of INR 2.00 Million as per The Payment of Gratuity Act, 1972.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the Balance Sheet for the gratuity plan.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Movement in Defined Benefit Obligations

Particulars	31st March, 2026	31st March, 2025
Defined benefit obligations as at the beginning of Year	30.05	22.95
Current Service Cost	13.59	11.33
Past Service Cost including curtailment Gains/Losses*	13.72	-
Interest on defined benefit obligations	2.12	1.66
Re-measurements - Actuarial (Gain)/Loss on total Liabilities	(9.95)	(5.25)
Benefits paid	(1.52)	(0.64)
Defined benefit obligations as at the end of Year	48.01	30.05

*On 21st November 2025, the Government of India notified four Labour Codes, Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 labour laws. The Ministry of Labour & Employment also issued draft central rules and FAQs to facilitate impact assessment. Based on the best available information and guidance from the Institute of Chartered Accountants of India, the Company recognized an incremental impact in the financial year ended 31st March 2026 amounting INR13.72 Millions, primarily due to the revised wage definition. The Company will continue to monitor the finalization of Central and State Rules and further Government clarifications, and will record any additional accounting impact, as required.

Balance Sheet

Amount recognised in balance sheet

Particulars	31st March, 2026	31st March, 2025
Present Value of obligations	48.01	30.05
Fair value of plan assets	-	-
Net defined benefit liability recognised in balance sheet	(48.01)	(30.05)

Expense charged to the statement of profit and loss

Particulars	31st March, 2026	31st March, 2025
Current and past service cost	27.31	11.33
Interest Cost	2.12	1.66
Total	29.43	12.99

Re-measurement (gain)/loss in other comprehensive income

Particulars	31st March, 2026	31st March, 2025
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(5.12)	(5.92)
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(4.82)	0.67
Amount recognised under other comprehensive income	(9.95)	(5.25)

Summary of Actuarial Assumptions

Particulars	31st March, 2026	31st March, 2025
Discount rate	7.98%	7.06%
Rate of Increase in compensation levels	5.00%	5.00%
Retirement age (years)	60	60

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	31st March, 2026	31st March, 2025
Discount rate (+0.5%)	(2.57)	(1.76)
Discount rate (-0.5%)	2.82	1.94
Salary Inflation (+0.5%)	2.81	1.90
Salary Inflation (-0.5%)	(2.59)	(1.74)

Maturity Profile of Defined Benefit Obligation

Particulars	31st March, 2026	31st March, 2025
Year 1	1.76	0.85
Year 2	1.66	0.88
Year 3	1.91	1.10
Year 4	2.11	1.31
Year 5	3.21	1.37
Year 6	2.00	2.25
After 6 years	35.36	22.27

Discount rate: The discount rate is based on government bond yields as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimate of future salary increases considered taking into account inflation, seniority, promotion and other relevant factors.

C. Other long-term benefit plan

Other long term employee benefit plan comprises earned leaves. The Company operates compensated absences plan (earned leaves), where in every employee is entitled to the benefit equivalent to 18 days salary for every completed year of service which is subject to maximum of 135 days accumulation of leaves. The same is payable during early retirement, withdrawal of scheme, resignation by employee and upon death of employee. The salary for calculation of earned leave is last drawn basic salary. The amount of the provision of INR 8.45 Million (31st March 2025: INR 6.15 Million) is liability as per the actuarial report.

40 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Refer Note 13 to the financial statements.

41 RISK MANAGEMENT & FINANCIAL OBJECTIVES

Risk is an integral part of the Company's business and sound risk management is critical to its success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company continuously identifies potential risks in advance, analyzes them and takes precautionary steps to reduce/curb the risk. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

a. Credit Risk

Credit risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet the Company's criteria.

The Company is a rural focused NBFC with a geographically diversified presence in India and offers income generation loans under the joint liability group model, predominantly to women from low-income households in rural areas. Further, as it focuses on providing micro-loans in rural areas, The Company's results of operations are affected by the performance and the future growth potential of microfinance in rural India. The Company's clients typically have limited sources of income, savings and credit histories and the loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in note 3.6 of the material accounting policies.

A) Probability of Default (PD)

The Company uses flow rates information of its loan portfolio to estimate its PD. The Company's loans largely consist of Joint Liability Group Loans and have similar characteristics, but there are some changes in the significant increases in credit risk based on geographical location of the borrowers. Thus, the Company estimates its PD on a stratified basis by segmenting its portfolio as per geographical location of the borrowers. These segments share common risk characteristics as required by the accounting standard. This probability is then combined with a macro-economic variable, based on the specific geographic location, to compute the final PD estimate.

Based on review of macro-economic developments and economic outlook, the Company assesses any adjustments required for temporary overlays to determine qualitative impact on its PD(s).

In determining the PD, an effort is made to eliminate outliers for a particular observation period which are not likely to happen in future.

B) Exposure at Default (EAD)

The outstanding balances as at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

C) Loss given default

The Company determines its expectation of lifetime losses by estimating recoveries towards its entire loan portfolio through an analysis of historical information. The Company determines its recovery rates by analysing the recovery trends by discounting such recoveries over different periods of time after a loan has defaulted. In estimating LGD, the Company reviews macro-economic developments taking place in the economy.

Credit Risk on Derivative financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

b. Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource

mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, and insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. The maturity schedule for all financial liabilities is regularly reviewed and monitored. Company has an Asset Liability Management (ALM) policy and has constituted an ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement.

The tables below provide details regarding the contractual maturities of significant financial liabilities as on:

Maturity pattern of Liabilities as on 31st March 2026:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	2,106.29	1,622.55	1,389.88	5,215.12	5,842.22	12,184.05	1,844.61	239.29	30,444.02
Other financial liabilities	512.91	0.83	0.83	2.52	4.68	16.51	10.85	16.07	565.20

*Represents debt securities, borrowings (other than debt securities) and Subordinated liabilities and it includes future interest cashflows also.

Maturity pattern of Liabilities as on 31st March 2025:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	1,107.09	1,462.21	1,535.66	3,864.80	4,581.40	9,111.32	500.05	513.14	22,675.67
Other financial liabilities	358.47	0.22	0.31	0.44	1.27	4.18	2.57	1.39	368.85

*Represents debt securities, borrowings (other than debt securities) and Subordinated liabilities and it includes future interest cashflows also.

c. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed to two types of market risks as follows:

A) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our ALM Committee evaluates the maturities of assets and liabilities and ensures that all significant mismatches, if any, are being managed appropriately. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings as follows:

Finance Cost	31st March, 2026	31st March, 2025
0.50% increase	(45.21)	(61.67)
0.50% decrease	45.21	61.67

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

B) Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

C) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowings (ECB). The ECB are governed by RBI guidelines. The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved hedging policy.

The Company manages its currency risks by entering into derivative contracts as hedge positions. The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR is as follows:

Particulars	As at 31st March 2026			As at 31st March 2025		
	EUR	GBP	USD	EUR	GBP	USD
Hedged						
ECB	872.05	-	2,839.63	1,200.22	-	2,567.44
Derivative*	717.67	-	2,501.25	1,115.87	-	2,501.25

** represents the notional amount of the derivative financial instrument*

d. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognises that operational risk event types that have the potential to result in substantial losses includes Internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

42 TRANSFER OF FINANCIAL ASSETS

Transfers of financial assets that are not derecognised in their entirety

a. Securitisation Transaction:

During the period, the Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loans which does not fulfil the derecognition criteria specified under Ind AS 109 as the Company has concluded that risk and rewards with respect to these assets are not substantially transferred.

The value of financial assets and liabilities as on:

Particulars	31st March, 2026	31st March, 2025
Carrying amount of transferred assets measured at amortised cost	3,116.75	118.42
Carrying amount of associated liabilities	3,244.80	123.28

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

b. Assignment Transaction:

During the year ended 31st March 2026, the Company has sold some loans and advances measured at amortised cost as part of assignment deals, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset:

Loans and advances measured at amortised cost	For the year ended 31st March 2026	For the year ended 31st March 2025
Carrying amount of derecognised financial assets	2,619.51	1,328.18
Gain/(loss) from derecognition	266.07	68.52

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

43 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY:

Particulars		31st March 2026	31st March 2025
a)	Gross amount required to be spent by the Company during the year	12.55	12.32
b)	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purpose other than (i) above	12.04	10.06
c)	Shortfall at the end of the year (a-b)	0.51	2.26
Total of previous years short fall		-	-
Reason for shortfall of CSR expenditure		Due to ongoing project with remaining tenure of 1 year	Due to ongoing project with remaining tenure of 1 year
Nature of CSR activities		Swastha Evam Swasth Jagrukta, Financial Literacy & Awareness Drive, Disaster Management, Sports, Environment Safety and Sustainability.	Swastha Evam Swasth Jagrukta Abhiyaan, Financial Literacy & Awareness Drive, Disaster Management, Gender Equality & Women Empowerment, Rural Area Development, Environment Safety and Sustainability
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.		Contribution to a trust controlled by the Company	Contribution to a trust controlled by the Company
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.		N.A.	N.A.

Details of unspent obligations in case of section 135(5) of the Companies Act, 2013 (ongoing project)

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
FY 2025-26	-	2.26	12.55	12.04	2.26	-	0.51
FY 2024-25	-	-	12.32	10.06	-	-	2.26

44 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Maturity analysis of assets and liabilities as at 31st March 2026

	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	3,955.85	-	3,955.85
Bank balances other than cash and cash equivalents	1,946.70	432.90	2,379.60
Derivative financial instruments	-	460.99	460.99
Receivables			
Trade Receivables	20.24	-	20.24
Other Receivables	19.85	-	19.85
Loan portfolio	17,131.02	8,214.08	25,345.10
Investments	662.69	944.62	1,607.31
Other financial assets	905.93	6.08	912.01
Total financial assets	**24,642.28**	**10,058.67**	**34,700.95**
Non-financial assets			
Deferred tax assets (net)	-	173.32	173.32
Property, plant and equipment	-	194.08	194.08
Intangible assets under development	-	-	-
Intangible assets	-	18.65	18.65
Other non-financial assets	87.14	2.50	89.64
Total non-financial assets	**87.14**	**388.55**	**475.69**
Total assets	**24,729.42**	**10,447.22**	**35,176.64**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	9.59	-	9.59
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	8.84	-	8.84

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

	Within 12 months	After 12 months	Total
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	9.66	-	9.66
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12.17	-	12.17
Debt securities	6,576.50	6,392.86	12,969.36
Borrowings (other than debt securities)	7,702.75	5,769.32	13,472.07
Subordinated liabilities	13.40	1,207.47	1,220.87
Other financial liabilities	481.52	43.42	524.94
Total financial liabilities	**14,814.43**	**13,413.07**	**28,227.50**
Non-financial liabilities			
Current tax liabilities (net)	8.26	-	8.26
Provisions	3.77	52.69	56.46
Other non-financial liabilities	57.45	-	57.45
Total non-financial liabilities	**69.48**	**52.69**	**122.17**
EQUITY			
Equity share capital	-	523.73	523.73
Instruments entirely equity in nature	-	472.12	472.12
Other equity	-	5,831.12	5,831.12
Total equity	**-**	**6,826.97**	**6,826.97**
Total liabilities and equity	**14,883.91**	**20,292.73**	**35,176.64**

Maturity analysis of assets and liabilities as at 31st March 2025

	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	1,774.53	-	1,774.53
Bank balances other than cash and cash equivalents	1,536.99	449.63	1,986.62
Derivative financial instruments	56.28	-	56.28
Receivables			
Trade Receivables	8.77	-	8.77
Other Receivables	34.97	-	34.97
Loan portfolio	16,018.31	5,338.67	21,356.98
Investments	368.06	1,203.52	1,571.58
Other financial assets	277.98	1.34	279.32
Total financial assets	**20,075.89**	**6,993.16**	**27,069.05**
Non-financial assets			
Deferred tax assets (net)	-	156.17	156.17
Property, plant and equipment	-	154.38	154.38
Intangible assets under development	-	-	-
Intangible assets	-	24.64	24.64

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

	Within 12 months	After 12 months	Total
Other non-financial assets	81.99	1.86	83.85
Total non-financial assets	**81.99**	**337.05**	**419.04**
Total assets	**20,157.88**	**7,330.21**	**27,488.09**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	0.43	-	0.43
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	0.06	-	0.06
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	7.56	-	7.56
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	10.30	-	10.30
Debt securities	1,692.85	2,642.60	4,335.45
Borrowings (other than debt securities)	9,499.48	5,761.95	15,261.43
Subordinated liabilities	67.05	1,161.18	1,228.23
Other financial liabilities	342.37	8.13	350.50
Total financial liabilities	**11,620.10**	**9,573.86**	**21,193.96**
Non-financial liabilities			
Current tax liabilities (net)	10.31	-	10.31
Provisions	2.17	34.03	36.20
Other non-financial liabilities	55.88	-	55.88
Total non-financial liabilities	**68.36**	**34.03**	**102.39**
EQUITY			
Equity share capital	-	523.73	523.73
Instruments entirely equity in nature	-	457.68	457.68
Other equity	-	5,210.33	5,210.33
Total equity	**-**	**6,191.74**	**6,191.74**
Total liabilities and equity	**11,688.46**	**15,799.63**	**27,488.09**

45 DISCLOSURE OF INVESTING AND FINANCING ACTIVITIES THAT DO NOT REQUIRE THE USE OF CASH AND CASH EQUIVALENTS

For the year ended 31st March 2026

Name of instrument	Opening	Cash flows	Exchange differences	Others	Closing
Equity share capital (including securities premium)	3,170.53	-	-	-	3,170.53
Compulsorily convertible preference shares (including securities premium)	1,086.92	231.99	-	-	1,318.91
Borrowings (other than debt securities)	15,261.43	(1,938.71)	206.12	(56.77)	13,472.07
Right-of-use assets	8.64	-	-	39.49	48.13
Lease liabilities	11.09	(12.35)	-	54.37	53.11
Total	**19,538.61**	**(1,719.07)**	**206.12**	**37.09**	**18,062.75**

For the year ended 31st March 2025

Name of instrument	Opening	Cash flows	Exchange differences	Others	Closing
Equity share capital (including securities premium)	2,408.71	761.96	-	(0.14)	3,170.53
Compulsorily convertible preference shares (including securities premium)	718.83	368.09	-	-	1,086.92
Borrowings (other than debt securities)	16,582.03	(1,331.79)	63.31	(52.12)	15,261.43
Right-of-use assets	13.27	-	-	(4.63)	8.64
Lease liabilities	18.16	(10.38)	-	3.31	11.09
Total	**19,741.00**	**(212.12)**	**63.31**	**(53.58)**	**19,538.61**

46 ADDITIONAL REGULATORY INFORMATION

i. The Company does not hold any immovable property as on 31st March 2026 and 31st March 2025. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

ii. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, as at 31st March 2026 and 31st March 2025.

iii. The Company 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 31st March 2026 and 31st March 2025.

iv. The Company 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 31st March 2026 and 31st March 2025.

v. There was no delay in the registration or satisfaction of any charges with Registrar of Companies during the year ended 31st March 2026 and 31st March 2025.

vi. The Company does not have any investment in any subsidiary company. Therefore, there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

vii. **Analytical Ratios**

Ratio		Numerator	Denominator	31st March 2026	31st March 2025	% Variance	Reasons for variance (if above 25%)
i)	Capital to risk-weighted assets ratio	7,398.71	25,132.65	29.44%	31.41%	-1.97%	NA
ii)	Tier I CRAR	6,339.59	25,132.65	25.23%	25.49%	-0.26%	NA
iii)	Tier II CRAR	1,059.12	25,132.65	4.21%	5.92%	-1.71%	NA
iv)	Liquidity Coverage Ratio	NA	NA	NA	NA	NA	Note 1 below

Note:

1. Applicable for non-deposit taking NBFCs with asset size of INR 50,000 Million.

viii. There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended 31st March 2026 and 31st March 2025.

ix. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

x. The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31st March 2026 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

xi. 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 31st March 2026 and 31st March 2025, 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 31st March 2026 and 31st March 2025.

xii. As a part of normal lending business, the Company 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 Company 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 Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xiii. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31st March 2026 and 31st March 2025.

47 EMPLOYEE STOCK OPTION PLAN

Particulars	Tranche-1	Tranche-2
Date of Grant	12th November 2024	28th July 2025
Date of Board/Compensation Committee approval	12th November 2024	28th July 2025
Number of Options Granted	1,322,439	90,000
Method of settlement	Equity	Equity
Graded vesting period		
Day following the expiry of 12 months from grant	20%	
Day following the expiry of 24 months from grant	25%	
Day following the expiry of 36 months from grant	25%	
Day following the expiry of 48 months from grant	30%	
Exercise period	1 year from the date of each vesting of options.	
Vesting Condition	Minimum period of one year between Grant of Options and Vesting of Options; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date. Vesting is conditional upon the employee achieving a satisfactory performance rating.	

Particulars	Remarks
Number of Options outstanding at the beginning of the year	1,294,189
Number of Options granted during the year	90,000
Number of Options vested during the year	218,987
Number of Options exercised during the year	-
Number of shares arising as a result of exercise of Options	-
Number of Options forfeited / lapsed during the year	166,711
Exercise price (in Rs)	77/96
Money realized by exercise of Options (in Rs)	-
Number of Options outstanding/ in force at the end of year	1,006,151
Number of Options exercisable at the end of year	211,327

The fair value of the options was estimated on the date of grant using the Black-Scholes model.

48 ADDITIONAL DISCLOSURES PURSUANT TO RELEVANT PARAGRAPHS OF THE 'MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES- FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (RBI□DOR□2025-26□359 DOR.ACC.REC. NO.278□21.4.018□2025-26 DATED 28TH NOVEMBER 2025 INCLUDING AMENDMENTS FROM TIME TO TIME)

(Disclosures are made as per Ind AS financial statements except otherwise stated)

i. The Company did not extend any loans against gold and silver collateral during the current year as well as in the previous year.

ii. The Company did not provide any project loans during the current year as well as in the previous year.

iii. The Company did not provide any non-fund based (NFB) credit facilities during the current as well as previous year.

iv. The Company does not enter into any co-lending arrangements (CLAs) with any other entities either during the current or previous financial year(s).

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

v. Disclosures relating to securitisation

During the year the Company has sold loans through securitisation. The information on securitisation activity is as below:

Sr. No.	Particulars	31st March 2026	31st March 2025
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	11	1
2	Total amount of securitised assets as per the books of the SPEs	3,911.45	154.86
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off balance sheet exposures		
	- First loss	-	-
	-Others	-	-
	b) On balance sheet exposures (cash collateral and over collateral)		
	- First loss	484.73	19.62
	- Others	794.70	36.44
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
5	Sale consideration received for the securitised assets	5,292.04	243.87
6	Gain / loss on sale on account of securitisation	-	-
7	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
8	Performance of facility provided		
	Credit Enhancement		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	1,279.43	56.06
9	Average default rate of portfolios observed in the past - Microfinance loans (% of NPA to total advances securitised)	5.69%	-
10	Amount and number of additional / top up loan given on same underlying asset	-	-
11	Investor complaints	Nil	Nil
	(a) Directly / Indirectly received and;		
	(b) Complaints outstanding		

vi. Disclosure on Transfer of Loan Exposures

(i) Details of loans not in default transferred through assignment:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Number of loan accounts assigned	114,274	28,245
Aggregate amount of loans transferred	3,338.77	848.82
Sales consideration received	2,944.86	763.93
Weighted average residual tenor of the loans assigned (in months)	15.03	14.48
Weighted average holding period (in months)	7.77	6.73
Retention of beneficial economic interest by the originator	10%/16.67%	10%
Tangible security cover	Nil	Nil
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

(ii) Details of loans not in default acquired through assignment:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Number of loan accounts acquired	3,473	-
Aggregate amount of loans acquired	222.00	-
Sales consideration paid	199.80	-
Weighted average residual tenor of the loans acquired (in months)	18.47	-
Weighted average holding period (in months)	9.64	-
Retention of beneficial economic interest by the originator	10%	-
Tangible security cover	Nil	-
Rating-wise distribution of rated loans	Not Applicable	-

(iii) Details of stressed loans transferred or acquired during the year ended 31st March 2026:

(a) Details of stressed loans transferred during the year ended 31st March 2026:

Particulars	To ARC			Total	To permitted transferees
	NPA	SMA	Write Off		
Number of loan accounts	50,554	13,973	39,887	104,414	Nil
Aggregate principal outstanding of loans transferred (INR in Millions)	986.49	209.95	518.42	1,714.86	Nil
Weighted average residual tenor of the loans transferred (in months)	5.05	6.59	5.47	5.40	Nil
Net book value of loans transferred at the time of transfer (INR in Millions)*	603.84	707.56	-	1,311.40	Nil
Aggregate consideration (INR in Millions)	857.40				Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil	Nil	Nil

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Details of stressed loans transferred during the year ended 31st March 2025:

Particulars	To ARC			To permitted transferees
	NPA	SMA	Total	
Number of loan accounts	35,403	34,071	69,474	Nil
Aggregate principal outstanding of loans transferred (INR in Millions)	1,034.23	1,165.39	2,199.62	Nil
Weighted average residual tenor of the loans transferred (in months)	7.16	7.16	7.16	Nil
Net book value of loans transferred at the time of transfer (INR in Millions)*	610.95	1,157.04	1,767.99	Nil
Aggregate consideration (INR in Millions)	1,429.80			Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil	Nil

(b) Security Receipts (SRs) held and recovery ratings assigned to SRs by the credit rating agency:

Particulars	Recovery ratings scale	Implied recovery	As at 31st March 2026
Security Receipts of Phoenix Trust* (INR in Millions)	IND RR45	Upto 25%	108.00
Security Receipts of CFMARC Trust-170 (INR in Millions)	BWR RR 1	More than 100% and upto 150%	879.35
Security Receipts of ARCIL Trust-2026-025 (INR in Millions)	To be rated within timelines as per RBI guidelines		619.47

*The Company is holding impairment allowance of INR 479.20 Million on as on 31st March 2026

Particulars	Recovery ratings scale	Implied recovery	As at 31st March 2025
Security Receipts of Phoenix Trust* (INR in Millions)	IND RR4	25%-50%	328.80
Security Receipts of CFMARC Trust-170 (INR in Millions)	To be rated within timelines as per RBI guidelines		1,242.78

vi. Disclosure on restructuring of advances

This disclosure is not applicable as the Company does not have any advances restructured.

viii. Exposure

1) Exposure to real estate sector

The Company does not have any real estate exposure and accordingly the disclosure is not applicable to the Company.

2) Exposure to capital market

The Company does not have any capital market exposure and accordingly the disclosure is not applicable to the Company.

3) Sectoral exposure

Sector	31st March 2026			31st March 2025		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	18,599.03	539.50	2.90%	12,949.93	143.58	1.11%
2. Industry	-	-	-	-	-	-
3. Services	9,108.09	248.95	2.73%	8,965.56	178.86	1.99%
4. Personal Loans	-	-	-	-	-	-
5. Auto Loans	189.15	-	-	-	-	-
Total	**27,896.27**	**788.45**	**2.83%**	**21,915.49**	**322.44**	**1.47%**

*includes on balance sheet and off-balance sheet exposure

4) Intra-group exposures

The Company does not have any intra-group exposure and accordingly the disclosure is not applicable to the Company.

5) Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure and accordingly the disclosure is not applicable to the Company.

ix. Related Party Disclosure

31st March 2026:

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the Company have control and significant influence	Others
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-
Remuneration	33.65	-	1.50	-	-	-	-
Issue of fully paid compulsorily convertible preference shares (including premium)	39.20	29.12	-	86.60	-		-

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the Company have control and significant influence	Others
Issue of fully paid equity shares (including premium)	-	-	-	-	-	-	-
Payment of dividend on equity shares	-	-	-	-	-	-	-
Payment of dividend on CCCPS	-	-	-	-	0.01		
Interest on application money	-	-	-	-	-	-	-
Others	1.94	7.52	0.31	-	-	12.55	-
Total	**74.79**	**36.64**	**1.81**	**86.60**	**0.01**	**12.55**	**-**

31st March 2025:

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the Company have control and significant influence	Others
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances (Maximum amount outstanding during the year: 0.53)	0.53	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-
Interest paid	-	-	-	0.12	-	-	-
Interest received	-	-	-	-	-	-	-
Remuneration	35.50	-	1.80	-	-	-	-
Issue of fully paid compulsorily convertible preference shares (including premium)	98.43	-	20.35	106.00	-		-
Issue of fully paid equity shares (including premium)	-	-	-	-	680.15	-	-

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the Company have control and significant influence	Others
Payment of dividend on equity shares	2.75	0.58	0.49	5.48	10.43	-	-
Payment of dividend on CCCPS	-	-	-	0.09	0.69		
Interest on application money	0.01	-	0.16	0.09	1.21	-	-
Others	2.02	4.75	0.30	-	-	12.32	-
Total	**139.24**	**5.33**	**23.10**	**111.78**	**692.48**	**12.32**	**-**

x. Disclosure of complaints

(i) Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

S. NO.	Particulars	31st March 2026	31st March 2025
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	33	8
2	Number of complaints received during the year	2,743	4,585
3	Number of complaints disposed during the year	2,750	4,560
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	26	33
Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	5
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	5
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

(ii) Top five grounds of complaints received by the NBFCs from customers

Grounds of Complaints (i.e. Complaints relating to)	Number of Complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ Decrease in the number of complaints received over the previous years	Numbers of Complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground 1- Insurance Claim settlement	31	553	-63%	12	1
Ground 2-Updation/dispute on data with CIR	-	815	-42%	-	-
Ground 3- Repayment issues	2	633	24%	3	-
Ground 4-Third party products	-	162	-34%	2	-
Ground 5-Employee related	-	168	14%	1	-
Others		412	-48%	**-**	**-**
Total	**33**	**2,743**		**26**	**1**
Previous Year					
Ground 1- Insurance Claim settlement	8	1,490	79%	31	-
Ground 2-Updation/dispute on data with CIR	-	1,397	83%	-	-
Ground 3- Repayment issues	-	510	167%	2	-
Ground 4-Third party products	-	247	65%	-	-
Ground 5-Employee related	-	148	1%	-	-
Others	-	793	82%	-	-
Total	**8**	**4,585**		**33**	**-**

xi. Loans to directors, senior officers and relatives of directors

There were no loans given to Directors, Senior Officers and Relatives of Directors during the year ended 31st March 2026 and 31st March 2025.

xii. Currency futures

The Company did not undertake any currency future transaction during the current and previous year.

xiii. Liquidity

a. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	31st March 2026	31st March 2025
Number of significant counter parties*	20	28
Amount (in Million)	16,781.74	16,870.16
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	59.20%	79.22%

*A "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 and 10% for other non-deposit taking NBFCs.

b. Top 20 large deposits

Particulars	31st March 2026	31st March 2025
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

c. Top 10 borrowings

Particulars	31st March 2026	31st March 2025
Total amount of top 10 borrowings	12,087.24	10,453.86
Percentage of amount of top 10 borrowings to total borrowings	43.70%	50.20%

d. Funding Concentration based on significant instrument/product*

Sr. No.	Name of the instrument/product	31st March 2026	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	8,963.02	31.62%
2	Term Loans from Banks	7,642.06	26.96%
3	Term Loans from Non-banking financial companies	2,853.77	10.07%
4	Term Loans (Unsecured)	415.96	1.47%
5	External commercial borrowings	2,379.50	8.39%
6	Non-Convertible Debentures (Unsecured)	1,714.45	6.05%
7	Borrowings under Securitisation arrangement	3,244.80	11.45%
8	Non-Convertible Preference Shares	267.95	0.95%

Sr. No.	Name of the instrument/product	31st March 2025	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	3,938.36	18.49%
2	Term Loans from Banks	8,008.77	37.61%
3	Term Loans from Non-banking financial companies	4,678.13	21.97%
4	External commercial borrowings	2,574.46	12.09%
5	Non-Convertible Debentures (Unsecured)	1,260.72	5.92%
6	Non-Convertible Preference Shares	241.32	1.13%

*A "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 and 10% for other non-deposit taking NBFCs.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

e. Stock ratios

Sr. No.	Stock Ratios	31st March 2026	31st March 2025
1	Commercial papers as a % of total public funds	N.A.	N.A.
2	Commercial papers as a % of total liabilities	N.A.	N.A.
3	Commercial papers as a % of total assets	N.A.	N.A.
4	Non-Convertible Debentures (original maturity of less than one year) as a % of total public funds	N.A.	N.A.
5	Non-Convertible Debentures (original maturity of less than one year) as a % of total liabilities	N.A.	N.A.
6	Non-Convertible Debentures (original maturity of less than one year) as a % of total assets	N.A.	N.A.
7	Other short-term liabilities as a % of total public funds	53.79%	55.46%
8	Other short-term liabilities as a % of total liabilities	52.49%	54.23%
9	Other short-term liabilities as a % of total assets	42.30%	42.01%

*Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, 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 five years from the date of issue.

f. Institutional set-up for liquidity risk Management

The Company's Board of Directors has the overall responsibility of management of liquidity risk The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring, and reporting the liquidity profile to ALCO.

xiv. Credit default swaps

The Company did not enter into any Credit Default Swaps (CDS) transactions during the current year and previous year.

xv. Comparison of provision required under IRACP norms and impairment allowances made under Ind AS 109

For the year ended 31st March 2026:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	24,201.68	235.85	23,965.83	96.89	138.96
	Stage 2	1,382.06	168.68	1,213.38	6.17	162.51
Subtotal (A)		**25,583.74**	**404.53**	**25,179.21**	**103.06**	**301.47**

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3)-(4)**	**(6)**	**(7) = (4)-(6)**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	520.55	354.66	165.89	260.01	94.65
Doubtful						
Upto 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Subtotal (B)		**520.55**	**354.66**	**165.89**	**260.01**	**94.65**
Total	**Stage 1**	**24,201.68**	**235.85**	**23,965.83**	**96.89**	**138.96**
	Stage 2	**1,382.06**	**168.68**	**1,213.38**	**6.17**	**162.51**
	Stage 3	**520.55**	**354.66**	**165.89**	**260.01**	**94.65**
	Total	**26,104.29**	**759.19**	**25,345.10**	**363.07**	**396.12**

For the year ended 31st March 2025:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	20,416.20	171.71	20,244.49	82.26	89.45
	Stage 2	1,176.86	152.14	1,024.72	4.71	147.43
Subtotal (A)		**21,593.06**	**323.85**	**21,269.21**	**86.97**	**236.88**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	322.43	234.66	87.77	229.19	5.47
Doubtful						
Upto 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Subtotal (B)		**322.43**	**234.66**	**87.77**	**229.19**	**5.47**
Total	**Stage 1**	**20,416.20**	**171.71**	**20,244.49**	**82.26**	**89.45**
	Stage 2	**1,176.86**	**152.14**	**1,024.72**	**4.71**	**147.43**
	Stage 3	**322.43**	**234.66**	**87.77**	**229.19**	**5.47**
	Total	**21,915.49**	**558.51**	**21,356.98**	**316.16**	**242.35**

***** The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognising the securitised assets which meet the de-recognition criteria under the previous GAAP.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

xvi. Summary of significant accounting policies

Refer Note 3 to the financial statements.

xvii. Capital

Particulars		31st March 2026	31st March 2025
i)	CRAR	29.44%	31.41%
ii)	CRAR – Tier I Capital	25.23%	25.49%
iii)	CRAR – Tier II Capital	4.21%	5.92%
iv)	Amount of Subordinated debt raised as capital Tier-II capital	952.92	986.91
v)	Amount raised by issuing perpetual debt instrument	-	-

Notes:

- Tier I Capital, Tier II Capital and Capital Adequacy Ratio are calculated as defined in RBI Direction - RBI/DOR/2025-26/345 DOR.CAP.REC.264/21-01-002/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28th November 2025 as amended
- The Company has considered impairment allowance towards stage I as contingent provision for standard assets for calculating Tier II capital.
- The securitised assets not qualifying for de-recognition under Ind AS due to credit enhancement given by the originating NBFC on such assets shall be risk weighted at zero percent.

xviii. Investments:

Particulars			31st March 2026	31st March 2025
(1)	Value of Investments			
	(i)	Gross Value of Investments		
		(a) In India	2,086.51	1,901.18
		(b) Outside India	-	-
	(ii)	Provisions for Depreciation		
		(a) In India	479.20	329.60
		(b) Outside India	-	-
	(iii)	Net Value of Investments		
		(a) In India	1,607.31	1,571.58
		(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments			
	(i)	Opening balance	329.60	172.20
	(ii)	Add: Provisions made during the year	149.60	157.40
	(iii)	Less Write-off/ write-back of excess	-	-
	(iv)	Closing Balance	479.20	329.60

xix. Derivatives

(i) Forward rate agreement / interest rate swap

Particulars		31st March 2026	31st March 2025
(i)	The notional principal of swap agreements	3,218.92	3,617.12
ii)	(Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	460.99	56.28

Nature and terms of the swaps:

The Company hedges its exposure to foreign currency and interest rate with respect to external commercial borrowing ('ECB') using CCIRS ('Cross currency interest rate swaps'), LTFX (Long term foreign exchange) and IRS (interest rate swaps). The Company has used cashflow hedge accounting methodology for accounting purposes.

(ii) Exchange traded interest rate (IR) derivatives

The Company has not traded in exchange traded interest rate derivatives during the current year and previous year.

(iii) Disclosures on risk exposure in derivatives

Qualitative Disclosure

The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative contracts such as currency swaps to hedge its exposure to movements in foreign exchange. The use of these derivative contracts reduces the risk to the Company and the Company does not use those for trading or speculation purposes. The Company uses hedging instruments that are governed by the approvals of the Board of Directors. The officials authorized by the board to enter into derivative transactions for the Company are kept separate from the authorized signatories to confirm the derivative transactions. All derivative transactions that are entered into by the Company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognised on the balance sheet at fair value. Fair value of derivatives is ascertained using valuation techniques described in Note 37 which is verified with the mark to market and accrual values received from the counter-party banks. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

Quantitative Disclosure

Particulars		31st March 2026	31st March 2025
i)	Derivatives (Notional Principal Amount)	3,218.92	3,617.12
ii)	Marked to Market Positions	460.99	56.28
	(a) Assets (+)	460.99	56.28
	(b) Liabilities (-)	-	-
iii)	Credit Exposure	Nil	Nil
iv)	Unhedged Exposures	Nil	Nil

xx. Asset liability management

Maturity pattern of assets and liabilities as on 31st March 2026**

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	1,249.83	489.18	285.14	1,420.14	1,426.93	4,642.66	7,151.24	9,099.63	167.47	-	25,932.22
Investments	-	-	65.02	56.18	52.14	168.23	321.12	944.62	-	-	1,607.31
Borrowings*	1,092.74	97.76	667.81	1,382.16	1,128.40	4,585.32	5,096.46	11,142.44	1,553.89	323.72	27,070.70

Maturity pattern of assets and liabilities as on 31st March 2025**

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	914.66	289.18	771.27	1,550.14	1,521.24	4,298.23	6,358.81	6,044.52	88.27	-	21,836.32
Investments	-	-	32.06	28.38	30.04	92.56	185.02	1,203.52	-	-	1,571.58
Borrowings*	635.45	153.67	292.36	1,297.92	1,365.86	3,547.16	4,070.81	8,537.22	376.06	647.76	20,924.27

*Borrowings include foreign currency borrowings in the form of ECB which have been fully hedged.
**The amounts mentioned above represent principal outstanding and interest accrued on advances and borrowings.

xxi. Details of financing of parent company products

This disclosure is not applicable as the Company does not have any holding / parent company.

xxii. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) i.e. 15% of its Owned fund / Group Borrower Limit (GBL) i.e. 25% of its own fund, during the current or previous year.

xxiii. Unsecured advances

Refer Note 8 to the financial statements.

xxiv. Breach of covenant

As at 31st March 2026

S. No.	Lender Name	ISIN (In case of NCD)	Description of breached covenants	Nature of borrowings
1	Creation Investments	INE884Q08283	PAR 30 < 5%	Unlisted Unsecured NCD
			PAR 90 Pre Write Off < 2%	

Note: - There has been no adverse impact of these breaches.

As at 31st March 2025

S. No.	Lender Name	ISIN (In case of NCD)	Description of breached covenants	Nature of borrowings
1	Creation Investments	INE884Q08283	PAR 30 < 5%	Unlisted Unsecured NCD
			PAR 90 Pre Write Off < 2%	
			CurrentCollectionefficiency>93%	

S. No.	Lender Name	ISIN (In case of NCD)	Description of breached covenants	Nature of borrowings
2	Cred Avenue Securities Pvt Ltd (Retail NCD)	INE884Q07715	No loss in any quarter	Listed Secured NCD
3	Tipsons Consultancy Services Pvt Ltd (Retail NCD)	INE884Q07723	No loss in any quarter	Listed Secured NCD
4	Fourdegreewater Capital Private Limited- Wint Wealth (Retail NCD)	INE884Q07731	PAT is not negative in any financial quarter	Listed Secured NCD
5	IFMR FIMPACT Long Term Credit Fund	INE884Q07673	Positive After Tax Quarterly Net Income	Unlisted Secured NCD
6	Northern Arc Capital Limited	-	PAR30 incl Write off/GLP <5%	Term Loan
7	Hero Fincorp	-	PAR30 incl Write off/GLP <5%	Term Loan

Note: - There has been no adverse impact of these breaches.

xxv. Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 % of the reported profits before tax and impairment loss on financial instruments for the financial year ended 31st March 2025, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

xxvi. Registration obtained from other financial sector regulators

The Company is registered with the Ministry of Finance (Financial Intelligence Unit).

xxvii. Area of operation

Refer Note 8 to the financial statements.

xxviii. Ratings assigned by credit rating agencies and migration of ratings during the year ended 31st March 2026

Deposit Instrument	Name of the rating agency	Date of rating assigned/reviewed*	Amount	Rating assigned*
Bank Loan Rating (Long Term Bank facilities)	CareEdge Ratings	22nd December 2025	9,100.00	CARE BBB+
Bank Loan Rating (Long Term Bank facilities)	Acuite Ratings	22nd January 2026	8,750.00	ACUITE A-
MFI Grading	SMERA	19th September 2025	N.A.	SMERA M1
CodeofConductAssessment	SMERA	20th September 2025	N.A.	SMERA C1
Non-convertible debentures	CareEdge Ratings	22nd December 2025	340.00	CARE BBB+
Non-convertible debentures	CareEdge Ratings	22nd December 2025	250.00	CARE BBB+
Non-convertible debentures	India Ratings	26th December 2025	750.00	IND BBB
Non-convertible debentures	Acuite Ratings	22nd January 2026	3,000.00	ACUITE A-
Non-convertible debentures	Acuite Ratings	22nd January 2026	5,740.40	ACUITE A-
Non-convertible debentures	CareEdge Ratings	22nd December 2025	700.00	CARE BBB+
Non-convertible debentures	CareEdge Ratings	22nd December 2025	1,000.00	CARE BBB+
External Commercial Borrowings	CareEdge Ratings Global	17th March 2026	EUR 20 Millions	CareEdge B

Ratings assigned by credit rating agencies and migration of ratings during the year ended 31st March 2025

Deposit Instrument	Name of the rating agency	Date of rating assigned/reviewed*	Amount	Rating assigned*
Bank Loan Rating (Long Term Bank facilities)	CareEdge Ratings	27th December 2024	9,100.00	CARE BBB+
Bank Loan Rating (Long Term Bank facilities)	Acuite Ratings	22nd January 2025	7,250.00	ACUITE A-
MFI Grading	SMERA	29th October 2024	N.A.	SMERA M1
Non-convertible debentures	CareEdge Ratings	27th December 2024	250.00	CARE BBB+
Non-convertible debentures	India Ratings	27th December 2024	750.00	IND BBB
Non-convertible debentures	Acuite Ratings	22nd January 2025	3,100.00	ACUITE A-
Bank Loan Rating (Long Term Bank facilities)	CareEdge Ratings	27th December 2024	9,100.00	CARE BBB+
Bank Loan Rating (Long Term Bank facilities)	Acuite Ratings	22nd January 2025	7,250.00	ACUITE A-

*The ratings are subject to annual surveillance till the final repayment/redemption of rated facilities.

xxix. Remuneration of Directors

The Company has not entered into any transactions or in a pecuniary relationship with the non-executive directors other than those as disclosed in note 35 of Financial Statements.

xxx. Net Profit or Loss for the period, prior period items and changes in accounting policies

The Company does not have any adjustment related to prior period items and changes in accounting policy during the current and previous year.

xxxi. Revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition.

xxxii. Provisions and Contingencies (shown in Statement of Profit and Loss):

Particulars	31st March 2026	31st March 2025
Provision towards income tax	105.55	121.24
Provision towards NPA	(120.00)	(216.24)
Provision for standard assets	(80.68)	177.88
Provision for leave benefits	8.55	3.50
Provision for gratuity	19.48	7.74
Provision for other doubtful debts	10.34	(1.49)

xxxiii. Draw down from Reserves

There has been no draw down from Reserves during the year ended 31st March 2026 (previous year: Nil) other than those disclosed under Note 21.

xxxiv. Concentration of deposits, advances, exposures and NPAs

(i) Concentration of Deposits

The Company has not accepted any deposits during the year ended 31st March 2026 (previous year: Nil).

(ii) Concentration of Advances, Exposures and NPAs

Particulars	31st March 2026	31st March 2025
Concentration of Advances		
Total Advances to twenty largest borrowers	3.26	2.70
(%) of Advances to twenty largest borrowers to Total Advances	0.01%	0.01%
Concentration of Exposures		
Total Advances to twenty largest borrowers	3.26	2.70
(%) of Advances to twenty largest borrowers to Total Exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.39	0.50

xxxv. Movement of NPAs:

S. No.	Particulars	31st March 2026	31st March 2025
(i)	**Net NPAs to Net Advances (%)**	0.64%	0.40%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	322.52	619.36
	(b) Additions during the year	2,035.77	2,222.58
	(c) Reductions/write offs during the year	1,837.65	2,519.42
	(d) Closing balance	520.56	322.43
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	87.86	168.47
	(b) Additions during the year	652.96	1,827.60
	(c) Reductions during the year	574.84	1,908.20
	(d) Closing balance	165.90	87.77
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets):**		
	(a) Opening balance	234.66	450.89
	(b) Additions during the year	1,382.81	1,615.04
	(c) Reductions during the year	1,262.81	1,831.27
	(d) Closing balance	354.66	234.66

xxxvi. Overseas Assets

The Company does not own any assets outside the country.

xxxvii. Off-Balance Sheet SPVs sponsored

The Company does not have any off-balance Sheet SPVs sponsored.

xxxviii. Off-balance sheet exposures and structured products

The Company has not issued any structured products for off-balance sheet exposures, except off-balance sheet exposure due to direct assignment transactions during the current year and previous year (refer note 48(vi)(i)).

xxxix. Currency Options

The Company did not undertake any currency option transaction during the current and previous year.

xl. Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by RBI or any other regulator during the current and previous year.

xli. Information on instances of fraud

Particulars	31st March 2026	31st March 2025
Number of frauds reported during the year	22	31
Amount involved in fraud	4.22	6.72
Recovery*	2.40	2.63
Amount written off	-	-

*Includes claims received from insurance company.

49 ANALYTICAL RATIOS□DISCLOSURES REQUIRED UNDER REGULATION 52(4) OF THE SECURITIES EXCHANGE BOARD OF INDIA ("SEBI") (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Particulars	Year ended 31st March 2026
(1) Debt-equity ratio	4.01
(2) Debt service coverage ratio	Not Applicable
(3) Interest service coverage ratio	Not Applicable
(4) Outstanding redeemable preference shares (quantity and value)	
-Quantity	5,725,000
-Value	267.95
(5) Capital Redemption Reserve (In Million)	106.20
(6) Debenture Redemption Reserve (In Million)	36.63
(7) Net worth (In Million)	6,826.97
(8) Net profit after tax (In Million)	347.64
(9) Earnings per share	
-Basic	6.64
-Diluted	5.79
(10) Current ratio	Not Applicable
(11) Long term debt to working capital	Not Applicable
(12) Bad debts to account receivable ratio	Not Applicable
(13) Current liability ratio	Not Applicable
(14) Total debts to total assets	0.78
(15) Debtors turnover	Not Applicable
(16) Inventory turnover	Not Applicable
(17) Operating margin (%)	Not Applicable
(18) Net profit margin (%)	5.37

Particulars	Year ended 31st March 2026
(19) Sector specific equivalent ratios, as applicable:	
(a) Capital Adequacy Ratio (%)	29.44
(b) Gross Non-Performing Assets (GNPA) ratio(%)	1.99
(c) Net Non-Performing Assets (NNPA) ratio (%)	0.64
(d) Provision Coverage ratio (NPA) (%)	68.13

As per our report of even date

FOR **GSA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 000257N/N500339

TANUJ CHUGH
Partner
Membership No. 529619

Place: New Delhi
Date: 04th May, 2026

For and on behalf of the Board of Directors of Midland Microfin Limited

AMARDEEP SINGH SAMRA
Managing Director
DIN: 00649442

AMITESH KUMAR
Chief Financial Officer

Place: Jalandhar
Date: 04th May, 2026

ASHWANI KUMAR JINDAL
Director
DIN: 00670384

KAPIL KUMAR RUHELA
Company Secretary
Membership No.: A63313

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

SCHEDULE TO BALANCE SHEET AS PER RBI FOR THE YEAR ENDED 31ST MARCH 2026

Particulars			
Liabilities side		**Amount Outstanding**	**Amount Overdue**
(1)	**Loans and advances availed by non-banking financial company inclusive of interest accrued there on but not paid**		
	(a) Debentures: Secured	8,963.02	-
	Unsecured	1,714.46	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	12,875.33	-
	(d) Inter corporate loans and borrowing	415.96	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans - Securitisation & Overdraft Facility**	3,425.58	-
	* Please see note 1 below		
	** Other Loans exclude NCPS		
(2)	**Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly Secured debentures i.e. debentures where there is shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	* Please see note 1 below		

Assets side		Amount Outstanding
(3)	**Break up of Loans and Advances including bills receivables [other than those included in (4) below]**	
	(a) Secured	189.30
	(b) Unsecured	25,914.99
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**	
	(i) Lease assets including lease rentals under sundry debtors:	-
	(a) Finance Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	-
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Others loans counting towards asset finance activities	-
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
(5)	**Break up of Investments**	
	Current Investments	
	1 **Quoted**	-
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Assets side		Amount Outstanding
	(ii) Debentures	0.49
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please Specify)	-
2	**Unquoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please Specify)	-
Long Term Investments		
1	**Quoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please specify)	-
2	**Unquoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others - Investment in Security Receipts of ARC	2,086.02

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Please see Note (2) below

Category		Amount net of provisions	
		Secured	Unsecured
1	Related Parties **	-	-
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	185.05	25,160.05
	Total	-	25,160.05

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **	-	-
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	2,086.51	1,607.31
	Total	2,086.51	1,607.31

** As per accounting standard of ICAI (Please see Note 3)

(8) Other Information

Particulars		Amount
(i)	Gross Non-Performing Assets	520.55
	(a) Related parties	-
	(b) Other than related parties	520.55
(ii)	Net Non-Performing Assets	165.89
	(a) Related parties	-
	(b) Other than related parties	165.89
(iii)	Assets acquired in satisfaction of debt	-

Notes:

1 As defined in point xxvii of paragraph 3 of chapter-II of NBFC Master Directions.

2 Provisions have been calculated as per the Ind AS framework.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other 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.

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

SCHEDULE TO BALANCE SHEET AS PER RBI FOR THE YEAR ENDED 31ST MARCH 2025

Particulars			
Liabilities side		**Amount Outstanding**	**Amount Overdue**
(1)	**Loans and advances availed by non-banking financial company inclusive of interest accrued there on but not paid**		
	(a) Debentures: Secured	3,938.36	-
	Unsecured	1,260.72	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	15,261.43	-
	(d) Inter corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans - Securitisation & Overdraft Facility**	123.28	-
	* Please see note 1 below		
	** Other Loans exclude NCPS		
(2)	**Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly Secured debentures i.e. debentures where there is shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	* Please see note 1 below		

Assets side		**Amount Outstanding**
(3)	**Break up of Loans and Advances including bills receivables [other than those included in (4) below]**	
	(a) Secured	-
	(b) Unsecured	21,915.49
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**	
	(i) Lease assets including lease rentals under sundry debtors:	-
	(a) Finance Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	-
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Others loans counting towards asset finance activities	-
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
(5)	**Break up of Investments**	
	Current Investments	
	1 **Quoted**	-
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

Assets side		**Amount Outstanding**
	(ii) Debentures	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please Specify)	-
	2 **Unquoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please Specify)	-
	Long Term Investments	
	1 **Quoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (Please specify)	-
	2 **Unquoted**	
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others - Investment in Security Receipts of ARC	1,901.18

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Please see Note (2) below

Category		**Amount net of provisions**	
		Secured	**Unsecured**
1	Related Parties **	-	-
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	21,356.98
	Total	-	21,356.98

Notes to the Financial Statements for year ended 31st March 2026 (Contd.)
(Rupees in Millions unless otherwise stated)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **	-	-
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	1,901.18	1,571.58
	Total	1,901.18	1,571.58

** As per accounting standard of ICAI (Please see Note 3)

(8) Other Information

Particulars		Amount
(i)	Gross Non-Performing Assets	322.43
	(a) Related parties	-
	(b) Other than related parties	322.43
(ii)	Net Non-Performing Assets	87.77
	(a) Related parties	-
	(b) Other than related parties	87.77
(iii)	Assets acquired in satisfaction of debt	-

Notes:

1 As defined in point xxvii of paragraph 3 of chapter-II of NBFC Master Directions.

2 Provisions have been calculated as per the Ind AS framework.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other 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.

Notes

Notes

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