

ANNUAL REPORT
OF
PROTIUM FINANCE LIMITED
FINANCIAL YEAR 2025-2026

PROTIUM FINANCE LIMITED (“the Company”)
(Formerly known as Growth Source Financial Technologies Limited)
[CIN: U65999MH2019PLC323293]

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PROTIUM FINANCE LIMITED (“Company”)

[CIN: U65999MH2019PLC323293]

Board of Directors

Sr. No.	Name of Director	Designation	DIN
1.	Mr. Peeyush Misra	Managing Director & CEO	08422699
2.	Ms. Dakshita Das	Independent Director	07662681
3.	Mr. Parveen Kumar Gupta	Independent Director	02895343
4.	Mr. Sitaram Kunte	Independent Director	02670899
5	Mr. Pravin Raghavendra	Independent Director	09686944

Key Managerial Personnel (KMP)

Name of KMP	Designation
Mr. Peeyush Misra	Managing Director & CEO
Mr. Amit Kumar Gupta	Chief Financial Officer
Mrs. Anshu Mohta	Company Secretary

Registered Office

7th Floor, Block B2, Phase – I, Nirlon Knowledge Park (NKP)
Pahadi Village, off. Western Express Highway,
Goregaon (E), Mumbai – 400063.
Website: <https://protium.co.in/>

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants
12th Floor, The Ruby 29 Senapati Bapat Marg
Dadar (West), Mumbai – 400028.
Email: srba@srb.in

Registrar & Transfer Agents

MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083
Website: <https://in.mpms.mufig.com/>

BOARD'S REPORT

Dear Members,

Your Directors have pleasure of presenting the Eight Annual Report on the business and financial operations of your Company together with the audited financial statements for the financial year ended March 31, 2026.

1. Financial Results

A summary of the financial performance of the Company, both on a consolidated and standalone basis in comparison to the previous financial year is given below:

‘₹ in Lakh’

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations	1,24,889.05	104,701.13	1,19,558.18	99,049.15
Other Income	411.87	661.78	1,529.41	2,066.60
Total Income	1,25,300.89	105,362.91	1,21,087.59	101,115.75
Less: Total expenses	1,02,251.89	82,768.29	97,843.94	78,567.09
Profit before Tax	23,049.00	22,594.62	23,243.65	22,548.66
Less: Tax Expenses	5,851.84	5,470.74	5,890.32	5,448.00
Profit after Tax	17,197.17	17,123.88	17,353.33	17,100.66
Add: Other Comprehensive Income	407.13	(930.89)	408.29	(953.09)
Total Comprehensive Income	17,604.30	16,192.99	17,761.63	16,147.57
Earnings Per Share (EPS)				
Basic	11.79	11.78	11.90	11.77
Diluted	11.74	11.74	11.85	11.73
Less: Transfer to Reserves as per Section 45-IC of the RBI Acts	3,470.67	3,420.13	3,470.67	3,420.13
Balance carried to Balance Sheet	14,133.63	12,772.86	14290.95	12,727.44

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under Sections 129 and 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are available on the Company’s website <https://protium.co.in/>.

Financial Performance

Consolidated

Your Company posted total income and net profit of INR 1,25,300.89 lakhs and INR 17,197.17 lakhs, respectively for the financial year ended March 31, 2026, as against INR 105,362.91 lakhs and INR 17,123.88 lakhs respectively, in the previous financial year., reflecting a growth of approximately 18.93%. Net profit stood at INR 17,197.17 lakh as compared to INR 17,123.88 lakh in the previous financial year, registering a marginal increase of approximately 0.43%.

Standalone

Your Company posted total income and net profit of INR 1,21,087.59 lakhs and INR 17,353.33 lakhs, respectively for the financial year ended March 31, 2026, as against INR 101,115.75 lakhs and INR 17,100.66 lakhs respectively, in the previous financial year, registering a growth of approximately 19.76%. The net profit of the Company stood at INR 17,353.33 lakh as against INR 17,100.66 lakh in the previous financial year, reflecting an increase of approximately 1.48%.

2. Dividend

Considering the capital-intensive nature of the Company's business and its future growth plans, and with a view to conserving resources and ploughing back profits, your Board of Directors has not recommended any dividend for the financial year under review, in order to strengthen the Company's financial position and support its long-term growth objectives.

3. Transfer to Reserves

Your Company has transferred INR 3,470.67 Lakh to the Statutory Reserve as required under Section 45-IC of the Reserve Bank of India Act, 1934 (previous year INR 3,420.13 Lakh).

4. State of Company's Affairs

The information on the affairs of the Company has been given as part of the Management Discussion and Analysis section of the Report.

Your Company is registered with the Reserve Bank of India as a Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934 as applicable and is categorized as middle layer (NBFC-ML) under Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time. Your Company is primarily engaged in providing lending to the business of Micro, Small & Medium Enterprises (MSME) and offers both secured and unsecured loans.

The Company is well positioned to achieve steady growth and enhance credit quality. The portfolio of the total loan outstanding of your Company stood at INR 5,12,761.89 lakhs as on March 31, 2026. Your Company continued to focus on its existing products by deepening and expanding its distribution while augmenting its infrastructure and offerings to effectively deliver credit solutions to its market. Your Company proposes to continue the same in FY2027

The Company has broadened its geographical presence by establishing new branches in different locations, thereby enhancing accessibility for its customers. With the opening of 34 branches during FY 2025-26, the branch network stands at 132 branches as on March 31, 2026 across 16 states for different products of the Company.

5. Change in nature of business, if any

Your Company carried out the business as mentioned in the Memorandum of Association of the Company during the year under review and there was no change in the nature of business of the Company.

6. Human Resources

Your Company firmly believes that people are its greatest asset which embodies a dynamic blend of youthful energy and seasoned experience, driving the organization forward with capability, passion, and integrity. As of March 31, 2026, it employed 2,251 individuals, with women representing 11.67% of our team. The average age of employees stands at 33 years, reflecting a vibrant and agile workforce committed to excellence.

7. Details of Subsidiary, Joint Ventures, Associate Companies

During the year under review, your Company has no associate companies within the meaning of Section 2(6) of the Act and has not entered into any joint venture. However, your Company has following two Wholly Owned Subsidiaries (“WOS”) as on March 31, 2026:

Name of the WOS	CIN
Protium Business Services Private Limited	U72900MH2021PTC356128
Shibui Technologies Private Limited	U62099KA2023PTC171573

There has been no material change in business of subsidiary companies during the financial year 2025-26. Further, pursuant to Section 129(3) of the Act read with Rule 5(1) of the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statements of your Company’s Subsidiaries in Form AOC – 1 is annexed as **Annexure I**.

Highlights of performance of Subsidiary Company(ies)

Protium Business Services Private Limited is primarily engaged in the business of sourcing and originating leads for consumer and business lending opportunities. The Company also acts as a corporate agent registered with the Insurance Regulatory and Development Authority of India (IRDAI).

The total revenue from the operation of Protium Business Services Private Limited during the year under review is INR 5,354.15 Lakh (previous year INR 5,556.58 Lakh) and the Net profit / (Loss) is Rs. INR (171.97) Lakh (previous year INR 31.54 Lakh).

Shibui Technologies Private Limited is primarily engaged in the business of providing information technology related solutions. Further, the total revenue from the operation of Shibui Technologies Private Limited during the year under review is INR 126.31 Lakh (previous year INR 155.94 Lakh) and the Net profit is INR 60.79 Lakh (previous year Rs. 35.89 Lakh).

The audited financial statements, including the consolidated financial statements of your Company are available on the website. The Annual Report and audited financial statements of each of its subsidiaries are also available on the website of the Company at <https://protium.co.in/regulatory-disclosure/>.

8. 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

The details of changes in the Board of Directors from the end of the financial year up to the date of this report have been duly included herein. Apart from these changes, there have been no material developments or commitments that have significantly impacted the financial position of the Company during this period.

9. Borrowings

During the year under review, your Company met its funding requirements through a diversified mix of borrowings, including Commercial Papers, External Commercial Borrowings (ECBs), securitisation transactions, and borrowings from banks and financial institutions. As of March 31, 2026, the total outstanding borrowings stood at ₹385,224. 72 Lakhs.

Your Company's overall borrowings remain well within the regulatory ceiling and the aggregate borrowing limits as approved by the Board of Directors and Members from time to time. In view of the Company's future business plans, growth potential, and the anticipated expansion of its loan portfolio, and to meet the requirement of additional funds for the coming years, your Company would continue with the existing borrowing limit to ₹ 8000 Crore. Accordingly, necessary resolutions seeking approval of Members to continue the existing borrowing limit forms part of the notice convening the 8th Annual General Meeting ("AGM").

10. Credit Rating

During the year under review, there has been no change to the credit ratings assigned in FY26 which was again reviewed and reaffirmed by the Acuite Ratings & Research Limited as stated below:

Instruments	Nature of Term	Rating granted
Bank Loan Ratings	Long term	ACUITE AA-/ Stable
Non – Convertible Debentures	Long Term	ACUITE AA-/ Stable

11. Capital Adequacy

The Capital Adequacy Ratio (CAR) of your Company as on March 31, 2026, was 38.70%, which is well above the minimum regulatory norms maintained under RBI (Prudential Norms on Capital Adequacy) Direction, 2025.

12. Public Deposits

Your Company is a Non-Deposit taking NBFC and has not accepted any public deposits during the year under review.

13. Capital Structure

a. Authorized Share Capital

During the year under review, there is no change in the Authorized Share Capital of the Company and as on March 31, 2026, the Authorized Share Capital of the Company is Rs. 1,56,00,93,000/- divided into 15,60,09,300 Equity Shares of Rs. 10/- each.

b. Issued, Subscribed and Paid-up Share Capital

As on March 31, 2026, the Issued, Subscribed and Paid-up Share Capital of your Company stands at INR 146,04,95,680/- (Indian Rupees One Hundred Forty-Six Crore Four Lakh Ninety Five Thousand Six Hundred Eight) comprising of 14,60,49,568 (Fourteen Crore Sixty Lakh Forty-Nine Thousand Five Hundred & Sixty Eight) Equity Shares of INR 10/- (Indian Rupees Ten) each. The said equity shares of the Company are held in dematerialized mode.

During the year under review, your Company has issued and allotted 3,57,427 (Three Lakh Fifty-Seven Thousand Four Hundred and Twenty-Seven) Equity Shares of INR 10/- (Indian Rupees Ten) each as per the details given herein below:

S. No.	Date of allotment	No. of fully Paid-up Equity Shares issued and subscribed	Nature of Issue / Allotment
1	14.08.2025	1,10,527	Employee Stock Options
2	24.09.2025	2,392	Employee Stock Options
3	19.01.2026	2,44,508	Employee Stock Options
	Total	3,57,427	

c. Protium Finance Employee Stock Option Plan I

In order to develop and implement a long - term incentive program to effectively attract, motivate and retain the best talent from the industry in a competitive environment, your Company has implemented the Protium Finance Employee Stock Option Plan I Scheme. A statement providing the information as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, is furnished in **Annexure II**.

14. Non-Convertible Debentures

The Company has fully redeemed 4,950 9.79% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures ("NCDs"), each having a face value of ₹1,00,000, on April 25, 2025. Pursuant to the redemption, the ISIN (INE003507024) allotted to the said NCDs has been extinguished by the depositories. Consequently, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are no longer applicable to the Company.

During the year under review, the Company has not issued any NCDs. Furthermore, there is no outstanding NCDs of the Company as on date of this Report.

15. Debenture Trustees

For the period up to April 25, 2025, the Company had outstanding NCDs and, during such period, Axis Trustee Services Limited acted as the debenture trustee of the Company. Upon redemption of all the outstanding NCDs on April 25, 2025, the relationship with Axis Trustee Services Limited as debenture trustee ceased, and it is no longer associated with the Company in such capacity. The details of the debenture trustee are provided below:

Axis Trustee Services Limited

Address: Axis House, Bombay Dyeing Mills Compound,

Pandurang Budhkar Marg, Worli, Mumbai – 400 025

Tel: +91 22 6226 0054

Email: debenturetrustee@axistrustee.in, Website: www.axistrustee.in

16. Registrar and Share Transfer Agent

The details of registrar and share transfer agent of the Company are provided hereunder:

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083

Tel :022 49186000, Email: bonds.helpdesk@linkintime.co.in

Website: <https://in.mpms.mufg.com/>

17. Board and Committee Composition

a. Board Composition

The Company has a professional Board with Executive & Non-Executive Independent Directors who bring the right mix of knowledge, skills, and expertise and help the Company in implementing the best Corporate Governance practices. As on March 31, 2026, the Board of Directors of the Company comprises of following Directors:

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN
1	Mr. Peeyush Misra	Managing Director & CEO (Executive Director)	08422699
2	Ms. Dakshita Das	Independent Director	07662681
3	Mr. Parveen Kumar Gupta	Independent Director	02895343
4	Mr. Sitaram Kunte	Independent Director	02670899
5	Mr. Pravin Raghavendra	Independent Director	09686944

b. Key Managerial Personnel

As on March 31, 2026, pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company comprises of the following:

Sr. No.	Name of KMP	Designation
1	Mr. Peeyush Misra	Managing Director & CEO
2	Mr. Amit Kumar Gupta	Chief Financial Officer
3	Mrs. Anshu Mohta	Company Secretary

c. Changes in Directors and Key Managerial Personnel

During the period under review, there were no changes in the Key Managerial Personnel of the Company.

Mr. Pravin Raghavendra was appointed as an Additional Director on June 26, 2025, in the category of Independent Director, not liable to retire by rotation, for a term of five (5) consecutive years commencing from June 26, 2025, subject to the approval of the Members. The Members of the Company approved his appointment as an Independent Director at the Annual General Meeting held on September 15, 2025.

Ms. Anuradha Rao resigned from her position as Independent Director with effect from July 8, 2025. The Board placed on record its sincere appreciation for the valuable contributions made by her during her tenure with the Company.

As on the date of this report, the composition of Board of the Company comprises of following Directors:

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN
1	Mr. Peeyush Misra	Managing Director & CEO (Executive Director)	08422699
2	Ms. Dakshita Das	Independent Director	07662681
3	Mr. Parveen Kumar Gupta	Independent Director	02895343
4	Mr. Sitaram Kunte	Independent Director	02670899
5	Mr. Pravin Raghavendra	Independent Director	09686944*

* Appointed with effect from June 26, 2025

d. Board Committees

Your Board had constituted following committees which supports the Board in fulfilling its fiduciary responsibilities and ensures that the Company adheres to regulatory standards while pursuing sustainable growth:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. IT Strategy Committee
5. Corporate Social Responsibility Committee
6. Asset & Liability Committee
7. Review Committee of Wilful Defaulters
8. Information Security Committee
9. IT Steering Committee
10. Identification Committee for Wilful Defaulter

11. Fraud Risk Management Committee

Pursuant to the revised Internal Ombudsman Directions, 2026, the Board of Directors approved the dissolution of the Customer Service Committee on May 5, 2026, as its functions are now to be discharged by the Board, thereby vesting oversight of the Internal Ombudsman framework with the Board.

On May 5, 2026, your Board dissolved the Stakeholders' Relationship Committee (SRC) which had been originally constituted in compliance with the applicable requirements when the Company had more than one thousand Non-Convertible Debenture (NCD) holders. As the Company no longer has any listed NCDs and does not meet the prescribed threshold of security holders, the requirement for constitution of the SRC was no longer applicable.

Further, the Board has also dissolved the Share Allotment Committee on May 5, 2026 as the allotment of shares of the Company is undertaken pursuant to approvals of the Board and hence, the continued existence of a separate Share Allotment Committee is no longer considered necessary by the Board.

The details of the Committee composition along with the details of the Meetings held during the Financial Year 2025-26 are disclosed in the Corporate Governance Report forming part of this report as **Annexure III**.

e. Director liable to retire by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Peeyush Misra, retires by rotation at the ensuing AGM and being eligible offers himself for reappointment. Your Directors' and the Nomination and Remuneration Committee have evaluated the eligibility criteria under RBI guidelines and the Act and have recommended his reappointment in the ensuing AGM.

f. Declaration by Directors

Based on the declarations and confirmations received in terms of the Act, circular(s)/ notification(s)/direction(s) issued by RBI/SEBI and such other applicable laws, none of the Directors of the Board of your Company are disqualified from being appointed as Directors.

All the Directors of the Company have confirmed that they satisfy the 'Fit and Proper' Criteria as prescribed under Chapter IV of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act.

Pursuant to Section 149(7) of the Act, your Company has received declarations from all the Independent Directors of the Company affirming compliance with criteria of independence as specified under Section 149(6) of the Act. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

The Independent Directors have also confirmed compliance with rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their names in the databank of independent directors and compliance of the online proficiency self- assessment test (unless exempted) with the Indian Institute of Corporate Affairs.

The Board is of opinion and confirm, in terms of Rule 8 of the Companies (Accounts) Rules, 2014 that the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

g. Meetings of the Board of Directors of the Company

During the Financial Year 2025-26, Five (5) Board Meetings were held during the Financial Year 2025-26. The details of the number of meetings of the Board of Directors of the Company are disclosed in the Corporate Governance Report which is forming part of this report as **Annexure III**. The intervening gap between the meetings was within the period prescribed under the Act.

h. Performance Evaluation

In accordance with the provisions of the Companies Act, your Board undertook a comprehensive annual evaluation of its own performance, as well as that of its Committees, individual Directors, and the Chairman of the Company for FY 2025-26 . A structured questionnaire was designed under the guidance of the NRC chairman, focusing on key aspects such as Board composition, effectiveness, governance practices, and strategic oversight. This questionnaire was circulated among all Board members to gather feedback on the functioning and performance of the Board, its Committees, individual Directors, and the Chairman. The responses were compiled and presented to the Nomination and Remuneration Committee and subsequently to the Board for review and discussion.

The Board is pleased to report its satisfaction with the evaluation process. The contributions of individual Directors were duly acknowledged and appreciated. The overall assessment reflected positively on the Board's performance, reaffirming its commitment to strong governance, transparency, accountability, and continuous improvement.

i. Independent Directors Meeting

During the financial year 2025-26, a meeting of Independent Directors was held as required under the Act and in compliance with the requirements under Schedule IV of the Act. All the Independent Directors were present at this meeting held on March 23, 2026.

In the meeting, the Independent Directors reviewed performance of the Board as a whole and the Non-Independent Director/Chairman of the Board. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board and the Chairman. They also expressed satisfaction regarding the flow of information between the Management of the Company and the Board.

18. Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management

Pursuant to the provisions of Section 178(3) of the Act and Master Direction on RBI Scale Based Regulation, your Company has formulated Compensation Policy which inter alia includes criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management. The updated Compensation Policy is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2026/05/Compensation-Policy.pdf>

19. Corporate Governance

Your Company is committed to maintaining the highest standards of Corporate Governance and adheres to the Corporate Governance requirements. The report on Corporate Governance of the Company forms part of the Annual Report and is annexed as **Annexure III**.

20. Compliance of RBI Regulations / Guidelines / Directions

Your Company continues to comply with all the applicable regulations / guidelines / directions prescribed by the Reserve Bank of India from time to time. The disclosures required under RBI Guidelines applicable to the Company are stated in the Notes forming part of Financial Statements.

21. Secretarial Standards

Your Company has complied with the applicable Secretarial Standards, relating to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2), issued by the Institute of Company Secretaries of India.

22. Compliance

The Company has implemented a comprehensive and robust legal compliance management system designed to ensure adherence to all applicable laws relevant to its business operations. This system includes automated alerts to designated compliance owners, helping them meet regulatory deadlines and avoid potential penalties or legal risks arising from non-compliance. A consolidated compliance dashboard is presented to the respective functional heads and the Compliance Officer for oversight. Additionally, a quarterly certificate confirming compliance with all applicable laws and regulations along with details of any corrective or preventive actions taken is circulated to the Audit Committee and the Board of Directors for their review.

23. Auditors and Auditors Report

a. Auditors Report

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI FRN: 01049W/E300004) has issued an Audit Report dated May 5, 2026, forming part of the Annual Report. There are no qualifications, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the year under review.

No frauds in terms of the provisions of section 143(12) of the Act have been reported by the Statutory Auditors

b. Statutory Auditors

Pursuant to the provisions of Sections 139 and 142 of the Act and Rules made thereunder and in line with guidelines issued by the RBI on appointment of statutory Auditors of NBFCs, the Members appointed M/s. S.R. Batliboi & Associates LLP, as the statutory auditors of the Company from 6th AGM held on August 31, 2024 to the 9th AGM, to be held in the year 2027.

M/s. S.R. Batliboi & Associates LLP have given confirmation to the effect that they are eligible and have not been disqualified in any manner from continuing their appointment as Statutory Auditors of the Company.

c. Cost records and Auditors

Under the provision of Section 148 of the Act, your Company is not required to maintain the Cost records and requirement of cost audit for the services rendered. Hence, the disclosure required under Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable.

d. Secretarial Audit

Under the provision of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. MAKS & CO, Company Secretaries (Registration Number No: P2018UP067700) were appointed as Secretarial Auditors for the Financial Year 2025-26. The Secretarial Audit Report issued by the Secretarial Auditor in Form MR-3 is annexed as **Annexure IV**.

There are no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report for the year under review.

e. Internal Control Systems and their adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the IA Charter in line with the Board approved Risk Based Internal Audit Policy. The Company has duly appointed Head of Internal Audit ("HIA") in terms of the Policy and HIA reports to the Audit Committee.

The IA function of the Company monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company from time to time.

f. Internal Financial Control

The Board has laid down Internal Financial Controls ("IFC") within the meaning of the Explanation to Section 134(5)(e) of the Companies Act, 2013. Considering the Company's robust control framework, suitably staffed finance function, independent internal audit mechanism and periodic statutory audits, the Board is of the opinion that the Company's IFC are adequate and commensurate with the nature, size and complexity of its business and were operating effectively during FY 2025-26.

24. Particulars of contracts or arrangements with related parties

Your Company has a Board approved policy for Related Party Transactions (RPTs) which is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/11/Related-Party-Transaction-Policy.pdf>

During the year under review, there were no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of

business and at arm's length. All related party transactions were placed before the Audit Committee for review and approval on a quarterly basis.

The disclosure of related party transactions as required to be disclosed under Section 134(3) (h) of the Act in Form AOC 2 is attached to this report as **Annexure V**.

The details of related party transactions with the related parties entered into during the financial year are disclosed in Note No. 46 and Note No 50(d) of the Standalone Financial Statements of the Company for the year ended March 31, 2026.

25. Corporate Social Responsibility (CSR)

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the CSR Committee is disclosed in the report on Corporate Governance of the Company forms part of the Annual Report and is annexed as **Annexure III**.

The Company has also formulated a CSR policy ("CSR Policy") in accordance with the requirements of the Act containing details specified therein. The CSR Policy along with details of the projects approved by the Board are available on the website of the Company at <https://protium.co.in/wp-content/uploads/2026/01/Corporate-Social-Responsibility-Policy-1.pdf>.

The Company has a strong commitment towards promoting social transformation through education, financial literacy, skill development and health care. Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the total CSR obligation of the Company for FY 2025–26 was INR 1,67,81,211, being 2% of the average net profits of the Company for the immediately preceding three financial years. The Company had incurred excess CSR expenditure of INR 8,92,000 during the FY 2024–25, which was carried forward in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014 and set-off against the CSR obligation for the financial year 2025–26. The Company has contributed INR 1,59,00,000 towards CSR for FY26 in accordance with the CSR policy and Schedule VII of the Companies Act, 2013.

The Company's CSR efforts are well-aligned with its business objectives, regulatory requirements, and social responsibility principles.

The Annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure VI** and forms part of this report.

26. Particulars of Loans, Guarantee, Security or Investments

In terms of section 186(11) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, the Company being an NBFC registered with RBI and its main objects as per its Memorandum of Association is to carry on business of financing industrial enterprises, is exempt from complying with provisions of section 186 of the Act in respect of loans made, guarantees given, securities provided, or investments made by the Company.

The details of the Investments made by the Company are furnished under Note No 9 of Notes forming part of the Standalone Financial Statements of the Company for the year ended March 31, 2026.

27. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

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

28. Annual Return

The Annual Return of the Company as on March 31, 2026, in Form MGT-7 as required under Section 92(3) of the Act read with Section 134(3) of the Act, shall be available on the website of the Company <https://protium.co.in/regulatory-disclosure/>.

29. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out-Goings

The provisions of Section 134(3)(m) of the Act, the rules made there under relating to conservation of energy and technology absorption do not apply to your Company as the Company is engaged in providing financial services. Your Company is taking every necessary step to reduce its consumption of energy, Further, your Company has been increasingly using information technology in its operations and promotes conservation of energy and resources.

The details of foreign exchange earnings and foreign exchange expenditures are as below:

₹ in Lakh

Particulars	FY 2025-26	FY 2024-25
Foreign exchange earnings	-	-
Foreign exchange expenditures	97.34	195.15

30. Risk Management

The Company recognizes that effective risk management is fundamental to ensuring sustainable growth, safeguarding stakeholder interests, and maintaining regulatory compliance. Our risk management philosophy is guided by the principles of prudence, proportionality, and forward-looking assessment. The Risk Management Committee (RMC) of the Board has approved a policy which clearly lays down the process of risk management in the Company, with a view to create an enterprise-wide risk framework. In addition, the policies are periodically reviewed by the Board members.

The primary objectives of our framework are to:

- Identify, assess, monitor, measure, mitigate and report key risks across all business activities.
- Ensure alignment of risk appetite with business strategy and capital planning.
- Promote a strong risk culture where risk awareness is embedded in decision-making at all levels.
- Comply with all applicable guidelines on risk management issued by the Reserve Bank of India (RBI)

Governance Structure

The Board of Directors bears the ultimate responsibility for the Company's risk governance. A dedicated **Board-level Risk Management Committee (RMC)** oversees the design and implementation of the risk management framework. The RMC reviews risk policies, assesses the Company's risk profile, and ensures adequate capital and liquidity buffers.

Day-to-day risk management is executed by a senior management committee, led by the Chief Risk Officer (CRO)/Head of Risk. The CRO functions independently and has direct access to the RMC. This three-layered structure (Board-RMC, Senior Management, Business Units) ensures robust oversight and operational effectiveness.

In addition to the Risk Management Committee, Asset Liability Committee, IT Strategy Committee and Audit Committee are other committees constituted by the Board to oversee and control risk related to Liquidity and IT security. We have policies in place to address these risks, which are reviewed annually by senior management and approved by the Board of Directors.

Key Risk Categories and Mitigation Strategies

Risk Category	Description & Exposure	Mitigation Strategies
Credit Risk (Risk of borrower default)	Primary risk inherent in our lending activities across our core segments (e.g., Secured and Unsecured MSME Loans). Exposure is managed through our portfolio mix, borrower profiles, and collateral.	• Robust Underwriting: Stringent appraisal processes leveraging traditional assessment, bank statement analysis, and bureau scores and credit models. • Portfolio Diversification: Active management of concentration risks by product, geography, industry, and borrower group. • Collateral Management: Regular valuation and monitoring of security/collateral. • Tech-Enabled Monitoring: Early Warning Systems (EWS) to identify potential stress. • Adequate Provisioning: Maintaining provisions as per Indian Accounting Standards (Ind AS) and RBI guidelines.
Liquidity Risk (Inability to meet obligations)	Risk arising from mismatches in the maturities of assets and liabilities, and from market disruptions affecting funding.	• Asset-Liability Management (ALM): Meticulous monitoring of maturity profiles and structural liquidity gaps. • Diversified Funding Mix: Maintaining a balanced mix of bank lines, market instruments (NCDs, CPs), and securitization. • Liquidity Buffers: Maintaining sufficient High-Quality Liquid Assets (HQLA) and undrawn credit lines as contingency. • Stress Testing: Regular scenario analysis on cash flows under adverse conditions.
Market Risk (Impact of market variables)	Primarily exposure to Interest Rate Risk due to borrowing	• ALM Framework: Active management of repricing gaps and interest rate sensitivity.

Risk Category	Description & Exposure	Mitigation Strategies
	and lending at fixed/variable rates. Minimal direct exposure to foreign exchange or equity price risk.	• Regular Valuation: Mark-to-market valuation of the investment portfolio.
Operational Risk (Losses from failed processes, people, systems, or external events)	Encompasses risks of fraud, cyber-attacks, process failures, legal non-compliance, and disruption of business operations.	• Strengthened Internal Controls & Process Automation: To reduce manual errors and fraud. • Fraud Risk Management Unit: Dedicated team for detection and investigation of non-cyber fraud. • Business Continuity Plan (BCP): For physical disruptions and pandemic-like scenarios. • Comprehensive Insurance: Cover for operational risks, including fidelity guarantees. • Vendor Risk Management: Oversight of non-IT third-party service providers.
Regulatory & Compliance Risk (Violation of laws/regulations)	High-impact risk given the dynamic regulatory environment for NBFCs in India.	• Dedicated Compliance Function: Team that tracks regulatory developments and ensures adherence. • Training Programs: Regular updates to staff on compliance requirements. • Internal Audit: Independent audits to assess compliance with internal policies and external regulations.
Information Technology (IT) & Cyber Risk (Risk of disruption, data breach, or financial loss due to IT system failures, cyber-attacks, or technological obsolescence)	As a digitally-enabled financial intermediary, the Company is exposed to risks pertaining to cyber threats (ransomware, phishing, data theft), technology failures (core banking/loan management system downtime), data integrity issues , third-party vendor risks , and regulatory non-compliance in data privacy (e.g., DPDP Act).	• Cybersecurity Framework: Implementation of a layered security architecture (firewalls, intrusion detection/prevention systems, endpoint protection, encryption). • Vulnerability Management: Regular security assessments, penetration testing, and prompt patching of systems. • Identity & Access Management (IAM): Strict role-based access controls, multi-factor authentication (MFA), and privileged access management. • Data Protection & Privacy: Policies for data classification, secure storage, transmission, and disposal aligned with evolving regulations. • IT Disaster Recovery (DR) & Business Continuity: Robust, regularly tested DR plans for critical systems to ensure rapid

Risk Category	Description & Exposure	Mitigation Strategies
		recovery and minimal downtime. • Third-Party Risk Management (TPRM): Rigorous due diligence and continuous monitoring of all IT/Fintech partners and cloud service providers. • Employee Awareness: Mandatory, periodic training programs on cyber hygiene and social engineering threats.
Strategic & Business Risk (Inability to execute strategy)	Risks from competitive intensity, technological disruption, changes in macroeconomic environment, and strategic missteps.	• Scenario Planning: Regular review of business plans against economic and competitive landscapes. • Agility & Innovation: Continuous investment in technology and digital capabilities to enhance customer experience and operational efficiency. • Performance Monitoring: Key metrics and dashboard tracking against strategic goals.

Business Continuity and Cyber Resilience

Given the increasing digital nature of financial services, the Company has invested significantly in cybersecurity measures and has a tested Business Continuity Plan (BCP) to ensure minimal disruption to critical operations in the event of an unforeseen incident.

Outlook

The risk landscape remains dynamic, influenced by macroeconomic conditions, regulatory changes, and technological evolution. The Company is committed to continuously enhancing its risk management capabilities by investing in advanced analytics, automation, and talent. Our proactive and integrated approach to risk management remains a key pillar in building long-term resilience and creating value for our stakeholders.

31. Business Continuity

Your Company has strengthened business resilience by enhancing Business Continuity Program and optimizing Disaster Recovery framework to ensure seamless operations. The strategic focus on cybersecurity remained unwavering, Cyber Defense capabilities were advanced to protect digital assets and customer interests.

32. Vigil Mechanism and Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, your Company has formulated an effective Vigil Mechanism and Whistle Blower Policy for Directors and employees to report their genuine concerns. The Vigil Mechanism and Whistle Blower Policy' is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/12/Whistle-Blower-Policy.pdf>.

The vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees. During the year under review, no cases under vigil mechanism were reported to the Company and were disposed of with the timeline. Further, the policy provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

33. Particulars of Employees and Related Information

As per the Companies (Specification of Definitions details) Rules, 2014, as amended, the Company doesn't fall under the category of listed company. Hence, provisions of Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

34. Director's Responsibility Statement

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

- a. in the preparation of the annual accounts for the financial year ended on March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to 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 as at March 31, 2026, and of the profit of the Company for the financial year ended on that date.
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors had prepared the annual accounts for the financial year ended on March 31, 2026, on a 'going concern' basis.
- e. 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.

35. Code for Prohibition of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company had adopted a Board-approved Insider Trading Code, i.e., the Code of Internal Procedures and Conduct for prevention of insider trading, applicable to its listed Non-Convertible Debentures (NCDs). The said Code was applicable up to April 25, 2025. As the NCDs have since been redeemed, the Code is no longer applicable w.e.f April 25, 2025.

36. Management Discussion and Analysis

The report on Management Discussion and Analysis of the Company as per Master Direction on RBI Scale Based Regulation forms part of the Board Report and is annexed as **Annexure VII**.

37. Fraud

The Company confirms its adherence to the RBI regulations regarding fraud. For the financial year 2025-26, the Company reports that there were no instances of fraud detected or reported.

38. Disclosure under the Sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder.

With the objective of providing a safe environment, your Company has constituted Internal Committee under POSH Act to redress complaints received regarding sexual harassment. All employees – permanent, contractual, temporary and trainees are covered under this policy. The policy on Prevention of Sexual Harassment at Workplace is uploaded on the website of the Company which can be accessed at <https://protium.co.in/wp-content/uploads/2026/05/Prevention-of-Sexual-Harassment-Policy-1.pdf>

The Company has conducted trainings under POSH for its employees during financial year 2025-26.

The summary of complaints received and disposed off during year under review is as below:

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

39. Statement with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961

The Company is in compliance with the provisions relating to the Maternity Benefit Act, 1961 including all applicable amendments and rules framed thereunder.

40. Confirmation under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 on Downstream Investment

Your Company has raised foreign investments and it is owned and controlled by persons resident outside India ("FOCC") as defined under the Foreign Exchange Management Act, 1999, Rules and Regulations issued thereunder including under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules").

During the financial year FY 2025-26, your Company didn't make any downstream investment.

41. Transfer of Unclaimed Dividend and Unclaimed Securities

During FY 2025-26, no amount was required to be transferred to the Investor Education and Protection Fund. Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") and Regulation 61A of the SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015, Mr. Amit Kumar Gupta is the Nodal Officer of the Company, for the purpose of verification of claims and co-ordination with the IEPF Authority. The contact details of Persons handling Investor Grievance are available on the website of the Company at <https://protium.co.in/regulatory-disclosure/>.

42. Fair Practice Code

The Company adhere to Fair Practice Code (FPC) recommended by the Reserve Bank of India which seek to promote good and fair practice by setting minimum standards in dealing with customers while doing lending business to ensure better service and provide necessary information to customers enabling them to take informed decisions. The details FPC are available on website of the Company at <https://protium.co.in/regulatory/fair-practices-code/>

43. Customer Grievances and RBI Ombudsman

The Company has a dedicated Customer Grievance Redressal mechanism, including a team to receive and address customer complaints promptly, fairly, and without bias. All grievances are handled courteously and resolved in an expeditious manner. The disclosures required under RBI Guidelines applicable to the Company are stated in the Note 50(e) forming part of Financial Statements.

Further, in line with the Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026 dated January 14, 2026 , as amended, the Company has appointed an Internal Ombudsman (IO), who serves as the apex authority in the grievance redressal framework. The IO reviews complaints that are wholly or partly rejected by the Company, ensuring an independent and impartial resolution process.

44. General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme, except Employees' Stock Options Schemes referred to in this report;
- c. Issue of bonus shares or preferential issue of shares or rights issue etc.
- d. transfer of unpaid or unclaimed amount to Investor Education and Protection Fund.
- e. Scheme for provision of money for the purchase of its own share by employees or by trustees for the benefit of employees.
- f. The Managing Director of the Company doesn't receive any remuneration or commission from its subsidiary.
- g. 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.
- h. no proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.

45. Acknowledgements

The Directors express their sincere gratitude and appreciation towards all those who have contributed to the success of the Company during the past year. It is through the collective effort and dedication of many stakeholders that we have achieved our goals and milestones.

We would also like to thank our esteemed customers and shareholders. They also express their sincere appreciation to the regulatory authorities, bankers, financial institutions, rating agencies, debenture trustees, and other stakeholders for their unwavering support. Lastly, we extend our deepest appreciation to our employees, whose hard work, commitment, and innovative ideas have been instrumental in driving our growth and success. Their unwavering dedication and professionalism have played a significant role in overcoming challenges and seizing opportunities. .

**On behalf of the Board of Directors
For Protium Finance Limited**

Sd/-

**Peeyush Misra
Chairperson of Board
DIN: 08422699**

**Date: August 3, 2026
Place: Mumbai**

ANNEXURE – I TO BOARD’S REPORT

FORM- AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

- Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

Part A: Subsidiaries

₹ in Lakh

Block – 1			
Sr. No.	Particulars	Subsidiary 1	Subsidiary 2
1.	CIN/ any other registration number of subsidiary company	U72900MH2021PTC356128	U62099KA2023PTC171573
2.	Name of the subsidiaries	Protium Business Services Private Limited	Shibui Technologies Private Limited
	Date since when subsidiary was acquired	March 2, 2021	March 24, 2023
3.	Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Section 2(87)(ii)	Section 2(87)(ii)
4.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period.	From April 1, 2025	From April 1, 2025
		To March 31, 2026	To March 31, 2026
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
6.	Share Capital	760.00	1.00
7.	Reserves and Surplus	(88.32)	100.74
8.	Total Assets	1,297.88	112.52
9.	Total Liabilities	626.20	10.78
10.	Investments	0.00	0.00
11.	Turnover	5,354.15	126.31
12.	Profit before Taxation	(230.95)	81.29
13.	Provision for Taxation	(58.98)	20.50
14.	Profit after Taxation	(171.97)	60.79
15.	Proposed Dividend	-	-
16.	Extent of shareholding (in percentage)	100%	100%

1. Number of subsidiaries which are yet to commence operations - None
2. Number of subsidiaries which have been liquidated or or have ceased to be a subsidiary during the year: Nil.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- **Not Applicable**

1. Number of associates or joint ventures which are yet to commence operations – None
2. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: Not applicable.

Notes: The following information shall be furnished at the end of the statement as on March 31, 2026:

On behalf of the Board of Directors
For Protium Finance Limited

Sd/-

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Sd/-

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Sd/-

Amit Kumar Gupta
Chief Financial Officer

Sd/-

Anshu Mohta
Company Secretary
Membership No.: A18287

Date: August 3, 2026
Place: Mumbai

ANNEXURE –II TO BOARD’S REPORT

DETAILS OF EMPLOYEE STOCK OPTIONS

As per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 following are the particulars of ESOP required to be disclosed for the financial year 2025-26 in respect of Protium Finance Employee Stock Option Plan I.

Sr. No	Particulars	Grant 2023	Grant 2025
1.	Options granted	3,033,718	9,97,623
2.	Options vested	18,04,670	1,98,532
3.	Options exercised	9,07,238	0
4.	Total no. of shares arising as a result of exercise of options	9,07,238	0
5.	Options lapsed	6,61,349	3,02,162
6.	Exercise price	INR 166 per option	INR 480 per option and INR 166 per option
7.	Variation of terms of options	During the year under review, no variation in the terms of options was made.	During the year under review, no variation in the terms of options was made.
8.	Money realized by exercise of options	15,06,01,508	0
9.	Total no. of options in force including vested and unvested options other than exercised and lapsed	Total no. of options in force as on March 31, 2026, are 14,65,131	Total no. of options in force as on March 31, 2026, are 6,95,461
10.	Employee wise details of options granted to:		
(i)	Key managerial personnel	Ms. Anshu Mohta (CS) - 15,060 Mr. Amit Kumar Gupta (CFO) – 2,10,843	Ms. Anshu Mohta (CS) - 5,208 Mr. Amit Kumar f (CFO) - 31,250
(ii)	Any other employee who receives a grant of options in any one year of options amounting to 5% or more of options granted during that year.	Nil	Nil

Sr. No	Particulars	Grant 2023	Grant 2025
(iii)	Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil

**On behalf of the Board of Directors
For Protium Finance Limited**

Sd/-

**Peeyush Misra
Chairperson of Board
DIN: 08422699**

**Date: August 3, 2026
Place: Mumbai**

ANNEXURE III- TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

1. Board of Directors

The Board of the Company is an apex body, which oversees overall functioning, provides strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that your Company's actions and objectives are aligned in creating long term value for its stakeholders. The Board helps the Company in adhering to high Corporate Governance practices.

The Board of Directors has a mix of Executive and Non-Executive Independent Directors. As on March 31, 2026, the Board comprised of five (5) members including one (1) Managing Director & CEO and four (4) Independent Directors. The Independent Directors include one women director.

1.1 Composition of the Board

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of other Director ships	Remuneration (in Rs.)			No. of shares held in and convertible instruments held in the NBFC
						Salary and other compensation	Sitting Fee (In Rs.)	Commission	
1	Mr. Peeyush Misra	15.04.2019	Managing Director & CEO (Executive Director)	08422699	Nil	Nil	Nil	Nil	0
2	Mr. Parveen Kumar Gupta	23.12.2021	Independent Director	02895343	7	Nil	21,00,000	24,00,000	18,564 equity shares
3	Ms. Anuradha Rao #	29.08.2023	Independent Director	07597195	2	Nil	6,00,000	6,00,000	0
4	Ms. Dakshita Das	16.02.2024	Independent Director	07662681	2	Nil	15,00,000	24,00,000	0
5	Mr. Sitaram Kunte	16.02.2024	Independent Director	02670899	4	Nil	24,00,000	24,00,000	0

6	Mr. Pravin Raghavendra*	26.06.2025	Independent Director	09686944	1	Nil	11,00,000	18,00,000	0
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#Ms. Anuradha Rao resigned as an Independent Director of the Company with effect from July 8, 2025, due to personal reason – family commitment.

*Mr. Pravin Raghavendra appointed as an Independent Director of the Company with effect from June 26, 2025.

1.2 Details of change in the composition of your Board of Directors during the current and previous financial year

Current Financial Year- (2025-26)

Sr. No.	Name of Director / KMP	Capacity (i.e. Executive / Non-Executive / Chairman / Promoter / Nominee/ Independent	Nature of change (Resignation/ Appointment)	Effective date
1	Ms. Anuradha Rao	Independent Director	Resignation	July 8, 2025
2	Mr. Pravin Raghavendra	Independent Director	Appointment*	June 26, 2025

* Mr. Pravin Raghavendra was appointed as an Independent Director for the first term of five years w.e.f. June 26, 2025 by the Board of Directors and the Shareholders of the Company approved his appointment on the Board at the Annual General Meeting of the Company held on September 15, 2025.

Previous Financial Year (2024-25)

There is no change in the composition of the Board During the financial year ended March 31, 2025.

The Board of Directors of the Company met five times during the year. The Board Meetings were held on May 12, 2025, June 26, 2025, August 14, 2025, November 3, 2025 and January 19, 2026. The intervening gap between the two consecutive Board Meetings was within the prescribed period of 120 days as specified under the provisions of Section 173 of the Companies Act, 2013.

The Non-executive Independent directors receive remuneration by way of sitting fees of Rs. 1,00,000/- (One Lakh) for attending each meeting of the Board and/or Committees thereof and commission as decided by the Board from time to time subject to the limits specified under the Act.

During the financial year under review, there were no pecuniary relationship/transactions of any of the Non-Executive Directors with the Company apart from sitting fees for attending various Board/Committee Meetings and commission paid to Independent Directors.

The details of attendance of the Directors in the Board Meetings for the year ended March 31, 2026, are as follows:

Sr. No	Name of the Director	No. of meetings eligible to attend	Meetings attended
1	Mr. Peeyush Misra	5	5
2	Mr. Parveen Kumar Gupta	5	5

3	Ms. Anuradha Rao [#]	2	1
4	Ms. Dakshita Das	5	5
5	Mr. Sitaram Kunte	5	5
6	Mr. Pravin Raghavendra [*]	3	3

[#] Ms. Anuradha Rao resigned as an Independent Director of the Company w.e.f July 8, 2025

^{*}Mr. Pravin Raghavendra appointed as an Independent Director of the Company w.e.f. June 26, 2025

Sr. No.	Date of meeting	Total Number of directors as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	May 12, 2025	5	5	100
2	June 26, 2025	5	4	80
3	August 14, 2025	5	5	80
4	November 3, 2025	5	5	100
5	January 19, 2026	5	5	100

1.3 Inter-se Relationship amongst Directors

None of the Director is related to any other Director on the Board of the Company in terms of the provisions of the Act and the Rules framed thereunder.

2. Committees of the Board and their composition

In accordance with the applicable provisions of the Act and the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted following Committees to focus on specific terms of reference and ensure expedient resolution on diverse matters. All the recommendations of the committees were accepted by the Board.

Sr. No.	Nature of the Committee	Summarized Terms of Reference
1.	Audit Committee	The Committee is constituted as required under Section 177 of the Act and Paragraph 17 of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, as amended from time to time. The Committee discharges its roles and responsibilities in accordance with the terms of reference approved by the Board and undertakes such functions as prescribed under the Companies Act, 2013, RBI directions and other applicable regulatory requirements. The major terms of reference of Audit Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors,

		review of compliances, systems and controls and approval or any subsequent modification of transactions with related parties.
2.	Nomination and Remuneration Committee	The Committee is constituted as required under Section 178 of the Act, and Paragraph 18 of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, as amended from time to time and undertakes all matters prescribed for its functioning therein. The major terms of reference of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees.
3.	Risk Management Committee	The Committee is constituted as per Paragraph 9 of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, as amended from time to time, and undertakes all matters prescribed for its functioning therein. The major terms of reference of the Committee, inter alia, include, design and implement the risk management and internal control systems in conjunction with existing business processes and systems, to manage the Company’s material business risk, establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company, monitor the loan portfolio along with risks associated with it and reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer.
4.	IT Strategy Committee	The Committee is constituted as required under Paragraph 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended and undertakes all matters prescribed for its working therein. The major terms of reference of IT Strategy Committee, inter alia, includes approving IT strategy and policy documents, to ensure that management has an effective strategic planning process, to ensure that IT strategy is aligned with business strategy, oversight of Information Security Committee and IT Steering Committee, assessing and managing IT and cybersecurity risks and review adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management etc.
5.	Asset Liability Committee	The Committee is constituted under Paragraph 8 of Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025. as amended and undertakes all matters prescribed for its working therein.

		The major terms of reference of Asset Liability Committee, inter alia, includes responsible for ensuring adherence to the limits set by Board as well as for deciding the Business strategy of the Company, on the assets and liabilities side, in line with the Company's budget and decided risk management objectives. Monitoring of rolling forecasts of the Company liquidity position, maturities of the financial assets and cash / cash equivalents, managing market risks, funding and capital planning, profit planning and growth projection forecasting and to analyse 'What if scenario' and preparation of contingency plans, behavioural analysis of the pre-payments of loan assets, formulating Interest rate policy and its framework and maintaining liquidity management.
6.	Corporate Social Responsibility Committee	The Committee is constituted as required under Section 135 of the Act and undertakes all matters prescribed for its working therein. The major terms of reference of Corporate Social Responsibility Committee includes reviewing the CSR Policy and associated frameworks and make appropriate recommendations to the Board, identification of the areas of CSR activities and recommend the amount of expenditure to be incurred, monitoring and ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company, collaborate with such other agency for implementing programs and executing initiatives as per CSR Policy and shall review the performance of such other agency periodically.
7.	Stakeholders Relationship Committee (Dissolved w.e.f May 5, 2026)	The Committee is constituted as required under Section 178 of the Act and undertakes all matters prescribed for its working therein. The major terms of reference of Stakeholders Relationship Committee includes resolving the grievances of the security holders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, timely payment of dividend/ annual reports/statutory notices to the shareholders, ensuring timely payment of interest /annual reports/statutory notices to the debenture holder and to ensure timely redemption of Bonds/debentures of the Company.
8.	Customer Service Committee (Dissolved w.e.f May 5, 2026)	The Committee is constituted in accordance with Paragraph 5 of the Reserve Bank of India (Non-Banking Financial Companies – Internal Ombudsman) Directions, 2026 as amended and undertakes all matters prescribed for its working therein. The major terms of reference include functioning of the Customer Grievances redressal mechanism under the Fair Practice Code, review of the customer service policies, procedures and standards, grievance redressal including customer complaints and the nature of their resolution, review of awards under Ombudsman scheme and implementation of internal ombudsman policy.

9.	Share Allotment Committee(Dissolved w.e.f May 5, 2026)	The Committee is constituted with the purpose to allot shares offered by the Company including allocation of shares under the Employee Stock Option Plan of the Company. The major terms of reference of Share Allotment Committee includes approving allotment of shares offered by the Company including allocation of shares under Protium Finance Employee Stock Option Plans (ESOP) of the Company, authorizing individuals to take necessary steps for allotment of shares including allotment on exercise of ESOPs and other allied activities, and to take on record the valuation reports issued for the allotment.
10.	Review Committee of Wilful Defaulters	The Committee is constituted in accordance with Paragraph 3 of the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, as amended from time to time , and undertakes all matters prescribed for its working therein. The major terms of reference include reviewing the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s) (Wilful Defaulters) and pass necessary orders upholding/rejecting the order passed by ERG Committee and to carry out such other duties or functions as may be delegated by the Board from time to time or required by the authority.
11.	Information Security Committee	The Committee is constituted as required under Paragraph 24(b) of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended and undertakes all matters prescribed for its working therein. The major terms of reference of Information Security Committee include developing information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite, approving and monitoring information security projects and security awareness initiatives and reviewing cyber incidents, information systems audit observations, monitoring, and mitigation activities.
12.	IT Steering Committee	The Committee is constituted as required under Paragraph 7 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, for the NBFC Sector and undertakes all matters prescribed for its working therein. The major terms of reference of IT Steering Committee include assisting the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs, overseeing the processes put in place for business continuity and disaster recovery and ensuring implementation of a robust IT architecture meeting statutory and regulatory compliance.
13.	Identification Committee for Wilful Defaulter	The Committee is constituted in accordance with Paragraph 3 of the Reserve Bank of India (Non-Banking Financial Companies –

		Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, as amended from time to time, and undertakes all matters prescribed for its working therein. The major terms of reference of Identification Committee for Wilful Defaulter include examining the evidence of willful default and to make a proposal to the Review Committee for classification as a wilful defaulter.
14.	Fraud Risk Management Committee	The Committee is constituted as required under RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies), dated July 15, 2024 and undertakes all matters prescribed for its working therein. The major terms of reference of Fraud Risk Management Committee include overseeing the effectiveness of fraud risk management, reviewing and monitor cases of frauds, root cause analysis of the fraud and suggesting mitigating measures for strengthening the internal controls and risk management framework to minimize the incidence of frauds.

2.1 Audit Committee

The Audit Committee met Four (4) times during the Financial Year under review on May 12, 2025, August 13, 2025, November 3, 2025 and January 19, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Mr. Parveen Kumar Gupta*	23.12.2021	Independent Director & Chairperson of Committee	4	4	18,564
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	4	4	0
3	Ms. Anuradha Rao [#]	22.09.2023	Independent Director	1	1	0
4	Mr. Sitaram Kunte	14.06.2024	Independent Director	4	4	0
5	Mr. Pravin Raghavendra*	14.08.2025	Independent Director	2	2	0

[#]Resigned as the member of the Audit Committee with effect from July 8, 2025

* Appointed as the member of the Audit Committee with effect from August 14, 2025 on account of re-constitution

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee met three (3) times during the Financial Year under review on May 12, 2025, August 13, 2025 and January 19, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao [#]	22.09.2023	Independent Director & Chairperson of Committee	1	1	0
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	3	3	0
3	Ms. Dakshita Das	14.06.2024	Independent Director	3	3	0
4	Mr. Sitaram Kunte	14.06.2024	Independent Director	3	3	0
5	Mr. Pravin Raghavendra [*]	14.08.2025	Independent Director & Chairperson of Committee	1	1	0

[#]Resigned as the Chairperson of the Nomination & Remuneration Committee with effect from July 8, 2025

^{*} Appointed as the Chairperson of the Nomination & Remuneration Committee with effect from August 14, 2025 on account of re-constitution

2.3 Risk Management Committee

The Risk Management Committee met four (4) times during the Financial Year under review on May 12, 2025, August 13, 2025, November 3, 2025 and January 19, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	

1	Mr. Sitaram Kunte	14.06.2024	Independent Director & Chairperson of Committee	4	4	0
2	Mr. Peeyush Misra	04.10.2021	Managing Director & CEO	4	4	0
3	Mr. Parveen Kumar Gupta	23.12.2021	Independent Director	4	4	18,564
4	Mr. Pravin Raghavendra*	14.08.2025	Independent Director	2	2	0

* Appointed as the member of the Risk Management Committee with effect from August 14, 2025

2.4 IT Strategy Committee

The IT Strategy Committee met four (4) times during the Financial Year under review on May 8, 2025, August 13, 2025, November 3, 2025, and January 19, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao [#]	30.04.2024	Independent Director & Chairperson of Committee	1	1	0
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	4	4	0
3	Mr. Parveen Kumar Gupta	22.09.2023	Independent Director	4	4	18,564
4	Mr. Sitaram Kunte	14.06.2024	Independent Director	4	4	0
5	Mr. Pravin Raghavendra*	14.08.2025	Independent Director	2	2	0

[#]Resigned as the Chairperson of Committee w.e.f. July 8, 2025

*Appointed as a Chairperson of Committee w.e.f. August 14, 2025 on account of re-constitution

2.5 Asset Liability Committee

The Asset Liability Committee met Five (5) times during the Financial Year under review on May 9, 2025, August 12, 2025, October 27, 2025, January 15, 2026 and March 26, 2026

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO & Chairperson of Committee	5	5	0
2	Mr. Yatin Paliwal	23.12.2021	Chief Risk Officer (CRO)	5	5	21,551
3	Mr. Padmanabhan Balasubramanian [#]	23.12.2021	Chief Risk Officer (CRO)	3	2	4,95,005
4	Mr. Amit Garg [^]	23.12.2021	Employee	2	0	4,95,005
5	Mr. Amit Gupta	20.07.2023	Chief Financial Officer (CFO)	5	5	52,711
6	Mr. Yogendra Singh [*]	14.08.2025	Employee	3	3	92,820

[#] Resigned as the member of Committee w.e.f. November 5, 2025

[^] Ceased as the member of Committee w.e.f. August 14, 2025 on account of re-constitution

^{*} Appointed as a member of Committee w.e.f. August 14, 2025 on account of re-constitution

Asset Liability Management (ALM) Support Group:

The ALM Support Group comprises of the following

- Mr. Anand Agarwal – Managing Director Treasury
- Mr. Jimit Shethwala – Director Treasury
- Mr. Abbas Jeenwala – Managing Director Finance & Accounts

2.6 Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met twice (2) during the Financial Year under review on May 12, 2025, and August 14, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held
				Held	Attended	

			Executive/ Chairman/ Promoter nominee/ Independent)			in the NBFC
1	Ms. Anuradha Rao [#]	28.10.2023	Independent Director	1	1	0
2	Mr. Peeyush Misra	28.10.2023	Managing Director & CEO	2	2	0
3	Ms. Dakshita Das	14.06.2024	Independent Director & Chairperson of Committee	2	2	0
4	Mr. Pravin Raghavendra [*]	14.08.2025	Independent Director	1	1	0

Resigned as the member of the Committee w.e.f. July 8, 2025*Appointed as a member of the Committee w.e.f. August 14, 2025 on account of re-constitution

2.7 Stakeholders Relationship Committee@

The Stakeholders Relationship Committee met once (1) during the Financial Year under review on May 12, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Ms. Dakshita Das	14.06.2024	Independent Director & Chairperson of Committee	1	1	0
2	Ms. Anuradha Rao [#]	20.01.2024	Independent Director	1	1	0
3	Mr. Peeyush Misra	20.01.2024	Managing Director & CEO	1	1	0
4	Mr. Pravin Raghavendra [*]	14.08.2025	Independent Director	0	0	0

Resigned as the member of the Committee w.e.f. July 8, 2025

*Appointed as a member of the Committee w.e.f. August 14, 2025 on account of re-constitution

@ The Stakeholders Relationship Committee was dissolved by the Board with effect from May 5, 2026.

2.8 Customer Service Committee*

Mr. S. Kalyanram is the Internal Ombudsman of the Company in terms of Master Direction issued by Reserve Bank of India. The Customer Service Committee met four (4) times during the Financial Year under review on April 8, 2025, August 13, 2025, November 3, 2025 and January 19, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Ms. Dakshita Das	30.04.2024	Independent Director & Chairperson of Committee	4	4	0
2	Mr. Peeyush Misra	30.04.2024	Managing Director & CEO	4	4	0
3	Mr. Sitaram Kunte	30.04.2024	Independent Director	4	4	0
4	Mr. Parveen Kumar Gupta	14.06.2024	Independent Director	4	4	18,564

*The Customer Service Committee was dissolved by the Board with effect from May 5, 2026.

2.9 Share Allotment Committee*

The Share Allotment Committee did not meet during the Financial Year under review.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO & Chairperson of Committee	0	0	0
2	Mr. Parveen Kumar Gupta	18.10.2024	Independent Director	0	0	18,564
3	Mr. Sitaram Kunte	18.10.2024	Independent Director	0	0	0

*The Share Allotment Committee was dissolved by the Board with effect from May 5, 2026.

2.10 Review Committee of Wilful Defaulters

The Review Committee of Wilful Defaulters did not meet during the Financial Year under review.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of equity shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO	0	0	0
2	Ms. Dakshita Das^	18.10.2024	Independent Director	0	0	0
3	Ms. Anuradha Rao#	18.10.2024	Independent Director	0	0	0
4	Mr. Pravin Raghavendra*	14.08.2025	Independent Director	0	0	0
5	Mr. Sitaram Kune*	14.08.2025	Independent Director	0	0	0

Resigned as the member of the Committee w.e.f. July 8, 2025

*Appointed as a member of the Committee w.e.f. August 14, 2025 on account of re-constitution

^ Ceased as the member of the Committee w.e.f. August 14, 2025 on account of re-constitution

2.11 Information Security Committee

The Information Security Committee met four (4) times during the Financial Year under review on April 25, 2025, July 17, 2025, October 30, 2025 and January 13, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Padmanabhan Balasubramanian#	31.03.2024	Employee	3	3
2	Mr. Dhruvil Shah	31.03.2024	Employee	4	4
3	Mr. Pranay Pingle	31.03.2024	Employee	4	4
4	Mr. Ravi Bharti	31.03.2024	Employee	4	4

5	Mr. Vivek Chhikara	31.03.2024	Employee	4	4
6	Mr. Yatin Paliwal*	19.01.2026	Chief Risk Officer (CRO) & Chairperson of Committee	0	0

Resigned as the member of the Committee w.e.f. November 5, 2025

*Appointed as a Chairperson of the Committee w.e.f. January 19, 2026

2.12 IT Steering Committee

The IT Steering Committee met four (4) times during the Financial Year under review on April 25, 2025, July 21, 2025, October 30, 2025 and January 13, 2026.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Amit Garg [#]	31.03.2024	Employee	2	1
2	Mr. Yogendra Singh	31.03.2024	Employee & Chairperson of Committee	4	4
3	Mr. Vivek Chhikara	31.03.2024	Employee	4	4
4	Mr. Amit Gupta*	14.08.2025	Chief Financial Officer	2	2
5	Mr. Shantanu Rege*	14.08.2025	Employee	2	2

#Resigned as the member of the Committee w.e.f. August 14, 2025 on account of re-constitution

*Appointed as a member of the Committee w.e.f. August 14, 2025 on account of re-constitution

2.13 Identification Committee for Wilful Defaulter

The Identification Committee for Wilful Defaulter met four (4) times during the Financial Year under review on May 9, 2025, August 8, 2025, October 29, 2025, January 14, 2026

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Amit Garg [^]	18.10.2024	Employee	2	0
2	Mr. Yogendra Singh	18.10.2024	Employee	4	4

3	Mr. Padmanabhan Balasubramanian [#]	18.10.2024	Chief Risk Officer (CRO) & Chairperson of Committee	3	2
4	Mr. Amit Gupta [*]	14.08.2025	Chief Financial Officer	2	2
5	Mr. Yatin Paliwal ^{\$}	19.01.2026	Chief Risk Officer (CRO) & Chairperson of Committee	-	-

[^] Ceased as the member of the Committee w.e.f. August 14, 2025 on account of re-constitution

[#] Appointed as the Chairperson of the Committee w.e.f. August 14, 2025 and resigned as the member of the Committee w.e.f. November 5, 2025

^{*} Appointed as a member of the Committee w.e.f. August 14, 2025 on account of re-constitution

^{\$} Appointed as a Chairperson of the Committee w.e.f. January 19, 2026

2.14 Fraud Risk Management Committee

The Fraud Risk Management Committee met four (4) times during the Financial Year under review on May 9, 2025, August 12, 2025, October 29, 2025 and January 15, 2026

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO	4	4
2	Mr. Yogendra Singh	18.10.2024	Employee	4	4
3	Mr. Padmanabhan Balasubramanian [#]	18.10.2024	Employee	3	2
4	Mr. Amit Garg [*]	18.10.2024	Employee	2	0
5	Mr. Amit Gupta	18.10.2024	Chief Financial Officer	4	4
6	Mr. Dhruvil Shah [^]	14.08.2025	Employee	2	2
7	Mr. Yatin Paliwal [^]	14.08.2025	Employee	2	2

[#] Resigned as the member of the Committee w.e.f. November 5, 2025

^{*} Ceased as the member of the Committee w.e.f. August 14, 2025 on account of re-constitution

[^] Appointed as the member of the Committee w.e.f. August 14, 2025 on account of re-constitution

3. Details of General Meetings

During the Financial year under review, the Company held only 1(one) General Meeting. The details are as under:

Sr. no	Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Resolutions passed
1	Annual General Meeting	September 15, 2025, at the Registered Office at 7 th Floor, Block B2, Phase I Nirlon Knowledge Park, Pahadi Village, Off. Western Express Highway, Cama Industrial Estate, Goregaon East, Mumbai - 400063	Ordinary resolution was passed for the following: 1. Adoption of Annual Financial Statements (Standalone and Consolidated) for the Financial Year 2024-25 and the Reports of the Board of Directors and Auditors 2. Appointment of Director in place of Mr. Peeyush Misra (DIN: 08422699), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, has offered himself for re-appointment. 3. Appointment of Mr. Pravin Raghavendra (DIN: 09686944) as an Independent Director of the Company 4. Commission to Non-Executive Independent Directors of the Company Special Resolution was passed for the following: 5. Approval of Borrowing under Section 180(1)(c) of the Companies Act, 2013 6. Transfer of Loan exposure and / or Creation of charge on the Company's assets, both present and future, to / in favour of lenders 7. Approval of limits under Section 180(1)(a) for Direct Assignment and Co-lending 8. Issue and allotment of Non-convertible Debentures (NCDs) on a private placement basis

4. Details of Non- compliance with the requirements of the Companies Act, 2013

The Company has complied with the requirements of Companies Act, 2013, including with respect to compliance with accounting and applicable secretarial standards and there being no default in this connection.

5. Details of Penalties and Strictures

There were no penalties or stricture imposed on the Company by the Reserve Bank or any other statutory authority or regulator.

6. Breach of covenant

The details of breach of covenant during the financial year for the loans are availed or debt securities issued are disclosed in Note No 50(g) of the Standalone Financial Statements of the Company.

7. Divergence in Asset Classification and Provisioning

The details of divergence in asset classification and provisioning during the financial year are disclosed in Note No 50(h) of the Standalone Financial Statements of the Company.

8. Disclosure pursuant to Reserve Bank of India (Non-Banking Financial Company – Credit Facilities) Directions, 2025

Your Company did not lend against collateral of bullion/primary gold/gold coins or for purchase of gold in any form during the financial year 2025-26.

On behalf of the Board of Directors
For Protium Finance Limited

Sd/-

Peeyush Misra
Chairperson of Board
DIN: 08422699

Date: August 3, 2026
Place: Mumbai

ANNEXURE – IV TO BOARD’S REPORT
SECRETARIAL AUDIT REPORT

**MAKS & CO.**

Company Secretaries

FRN: P2018UP067700

O: 516, Wave Silver Tower, Sector 18, Noida – 201301
E: services@forecoreprofessionals.com
D: +120 120 5178033

MR-3**Secretarial Audit Report**

[For the Financial Period Ended March 31, 2026]

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Protium Finance Limited
7th Floor, Block B2,
Phase-I Nirlon Knowledge Park,
Pahadi Village, Off. Western Express Highway,
Cama Industrial Estate,
Goregaon East, Maharashtra – 400 063

[CIN: U65999MH2019PLC323293]

We, M/s. MAKS & CO., Company Secretaries (FRN: P2018UP067700) have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to corporate governance practices by M/s. Protium Finance Limited (hereinafter referred as ‘the Company’) for financial year ended March 31, 2026 (“Audit Period”). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Limitation of the Auditors

- (i) 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 and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws, as per prescribed format, and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit (“Guidance Note”) and Auditing Standards issued by the Institute of

Company Secretaries of India (“ICSI”). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) 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 Board processes and compliance-mechanism.

The Members are requested to read Secretarial Audit Report (“Report”) along with our letter dated June 29, 2026 enclosed herewith to this Report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2026 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the ‘Act’) and the Rules made thereunder read with notification issued by Ministry of Corporate Affairs (“MCA”);
 - ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
 - iii) The Depositories Act, 1996 and the regulations and byelaws 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, as applicable;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 2025 regarding the Companies Act and dealing with clients (*Not applicable since*

the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period);

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not applicable to the Company during the audit period);*
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not applicable to the Company during the audit period);* and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Based upon the management representation and confirmations, wherever required, from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, 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 the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company: -
- a) The Reserve Bank of India Act, 1934; and
 - b) Applicable Direction, Circulars and Guidelines issued by Reserve Bank of India for Non-Banking Financial Company.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India, with respect to Board and General Meetings (hereinafter referred as 'Secretarial Standards'); and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI (LODR) Regulations, 2015') and the Listing Agreement entered by the Company with BSE Limited. *[Note: The listed NCDs of the Company were fully redeemed on April 25, 2025. Consequently, the provisions of the SEBI LODR Regulations, 2015 ceased to apply to the Company due to such redemption and extinguishment of the ISIN INE003507024 associated with said NCDs.]*

3. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been regular in compliance with the provisions of the Acts, Rules, Regulations, Guidelines and Secretarial Standards, as stated above.

4. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

5. We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings. Notice and Agenda with notes to Agenda of Board and Committee Meetings was sent at least seven days in advance of the meeting except in certain cases where meeting was held at shorter notice and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- iii) Decisions of Board/Committee were carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iv) 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.
- v) We further report that during the Audit Period, the Company has no specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. except as mentioned herein below:

During the period under review, the Company redeemed in full 4,950 9.79% Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures ("NCDs"), having a face value of Rs. 1,00,000 (Rupees One Lakh only) each, on April 25, 2025. Following the aforesaid redemption, the ISIN allotted in respect of the said NCDs was extinguished by the Depositories. Accordingly, the provisions of the SEBI LODR Regulations, 2015 ceased to be applicable to the Company due to such redemption and extinguishment of the ISIN INE003507024 associated with the said NCDs.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]
Peer View No.: 2064/2024

Sd/-

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.: 14486
UDIN: F009719H000702840

Date: 29-06-2026
Place: Noida (U.P.)

Annexure –A to Secretarial Audit Report dated June 29, 2026

To,
The Members,
Protium Finance Limited
7th Floor, Block B2,
Phase-I Nirlon Knowledge Park,
Pahadi Village, Off. Western Express Highway,
Cama Industrial Estate,
Goregaon East, Maharashtra – 400 063
[CIN: U65999MH2019PLC323293]

The Secretarial Audit Report dated June 29, 2026 is to be read with this Letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Protium Finance Limited (hereinafter referred as ‘the Company’) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. 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 followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
5. We have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This 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 **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]
Peer View No.: 2064/2024

Sd/-

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.: 14486
UDIN: F009719H000702840

Date: 29-06-2026
Place: Noida (U.P.)

ANNEXURE – V TO BOARD’S REPORT

FORM- AOC-2

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

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

Name of the Company: Protium Finance Limited

1. Details of contracts or arrangements or transactions not at arm’s length basis: NIL

Number of contracts or arrangements or transactions not at arm’s length basis: NIL

Block-1	Nil
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	
Name(s) of the related party	
Nature of relationship	
Nature of contracts/ arrangements/ transactions	
Duration of the contracts / arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	
Justification for entering into such contracts or arrangements or transactions	
Date of approval by the Board (DD/MM/YYYY)	
Amount paid as advances, if any	
Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	
SRN of MGT-14	

2. Details of material contracts or arrangement or transactions at arm’s length basis:

Number of material contracts or arrangements or transactions at arm’s length basis: 5

Block - 1		
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	U72900MH2021PTC356128	U72900MH2021PTC356128

Name(s) of the related party and nature of relationship:	Protium Business Services Private limited – Subsidiary Company	Protium Business Services Private limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Sourcing Service Provider	Sharing of cost of all operation and maintenance of common amenities and common services including the infrastructure and manpower cost
Duration of the contracts / arrangements/transactions:	Since 2021 and renewed on October 18, 2024 and ratified on January 19, 2026	Effective from April 1, 2024, and ratified on May 12, 2025
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Total value of transactions during FY26 is INR 2,617.18 Lakh	Total value of transactions during FY26 is INR 1,203.81 Lakh
Date(s) of approval by the Board, if any:	April 28, 2021	July 31, 2024
Amount paid as advances, if any:	N.A.	N.A.

Block – 2

Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership	U72900MH2021PTC356128	U62099KA2023PTC171573
Name(s) of the related party and nature of relationship:	Protium Business Services Private limited – Subsidiary Company	Shibui Technologies Private Limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Loan cum Facility Agreement	Software License Distribution Agreement
Duration of the contracts / arrangements/transactions:	Repayable on demand with renewal every year	Ongoing
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Loan of INR 5 crores Total Loan outstanding – INR 200.74 Lakh Interest Income on a/c of Loan – INR 18.62 Lakh	As per the agreement between the parties
Date(s) of approval by the Board, if any:	December 29, 2024	July 20, 2023
Amount paid as advances, if any:	N.A.	N.A.

Block 3

Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership	U62099KA2023PTC171573
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Name(s) of the related party and nature of relationship:	Shibui Technologies Private Limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Loan cum Facility Agreement
Duration of the contracts / arrangements/transactions:	Repayable on demand with renewal every year
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Loan INR 1 Crore Total Loan outstanding – INR NIL Interest Income on A/c of Loan – INR 0.03 Lakh
Date(s) of approval by the Board, if any:	July 31, 2024
Amount paid as advances, if any:	N.A.

On behalf of the Board of Directors
For Protium Finance Limited

Sd/-

Peeyush Misra
Chairperson of Board
DIN: 08422699

Date: August 3, 2026
Place: Mumbai

ANNEXURE – VI TO BOARD’S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025-26:

The amounts in this annexure is in Indian Rupees

1. Brief outline on CSR Policy of the Company

The Company, through its Corporate Social Responsibility (“CSR”) initiatives, is committed to contributing to the overall development of society and aligning its efforts with the Sustainable Development Goals (SDGs). The Company focuses on key areas such as healthcare, skill enhancement, middle school STEM education, and financial literacy, among others.

The CSR Policy provides a structured framework outlining the principles, guidelines, and mechanisms for undertaking socially beneficial programmes aimed at promoting the welfare and sustainable development of the community at large. The Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013, and the rules framed thereunder, and covers the governance framework as well as the implementation process for CSR activities.

The Company undertakes specific CSR projects and programmes as approved from time to time by the CSR Committee under the authority delegated by the Board. All such initiatives are aligned with the activities specified under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Dakshita Das	Chairperson	2	2
2.	Ms. Peeyush Misra	Member	2	2
3.	Ms. Anuradha Rao [#]	Member	1	1
4.	Mr. Pravin Raghavendra [*]	Member	1	1

[#]Resigned as the member of the Committee w.e.f. July 8, 2025

^{*}Appointed as a member of the Committee w.e.f. August 14, 2025

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

- Composition of CSR committee: <https://protium.co.in/regulatory-disclosure/>
- CSR Policy: <https://protium.co.in/wp-content/uploads/2026/01/Corporate-Social-Responsibility-Policy-1.pdf>
- CSR projects: <https://protium.co.in/wp-content/uploads/2026/05/CSR-1.pdf>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable

5.

Sr. No.	Particulars	Amount (INR)
(a)	Average Net profit of the Company as per Section 135(5)	83,90,60,529
(b)	Two percent of average net profit of the company as per Section 135(5)	1,67,81,211
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set off for the financial year, if any	8,92,000
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	1,58,89,211

6.

Sr. No.	Particulars	Amount (INR)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	1,59,00,000
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
(d)	Total amount spent for the Financial Year (a+b+c)	1,59,00,000

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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
INR 1,59,00,000	Nil	Nil	Not Applicable		

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 1,67,81,211
(ii)	Amount set off during the financial year	INR 8,92,000
(iii)	Total CSR obligation for the financial year [(i)-(ii)]:	INR 1,58,89,211
(iv)	Total amount spent for the Financial Year	INR 1,59,00,000
(v)	Excess amount spent for the Financial Year [(iv)-(iii)]:	INR 10,789

(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(vii)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	INR 10,789

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

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

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

**On behalf of the Board of Directors
For Protium Finance Limited**

Sd/-

**Peeyush Misra
Chairperson of Board
Managing Director & CEO
DIN: 08422699**

Sd/-

**Dakshita Das
Chairperson of the CSR Committee
DIN: 07662681**

**Date: August 3, 2026
Place: Mumbai**

ANNEXURE VII - TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Protium Finance Limited (PFL) is registered as a Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934 as applicable and is classified as middle layer NBFC based on scale-based regulation. The Company has a diversified lending portfolio across various sectors including MSME Business Loans, Educational Institutional Finance, Machinery and Equipment Finance.

Protium has two wholly owned subsidiaries:

- i. Protium Business Services Private Limited
- ii. Shibui Technologies Private Limited

1. MACROECONOMIC REVIEW

Global Economy

The global economy navigated FY 2025-26 under the weight of simultaneous structural pressures — a fundamental reordering of global trade, persistent geopolitical fault lines, and an accelerating divergence in how economies are positioned for the artificial-intelligence transition. The late-year shock with the outbreak of military conflict in West Asia further tested the resilience of an already fragile equilibrium. Global GDP growth is estimated at approximately 3.4% in 2025, moderating from 3.3% in 2024. The IMF's April 2026 World Economic Outlook (WEO) projects growth easing to 3.1% in 2026 and 3.2% in 2027 on the assumption that the West Asia conflict remains limited in duration and scope — a pace below recent outcomes and well under pre-pandemic averages. The IMF cautions that a prolonged conflict, deeper geopolitical fragmentation, disappointment over AI-driven productivity, or renewed trade tensions could each weaken growth further and unsettle markets.. The Organisation for Economic Co-operation and Development has cautioned that this escalation has knocked the global economy off what had otherwise been a stronger-than-expected growth trajectory.

The regional picture remained sharply divergent. The United States recorded growth of approximately 2.1% in 2025, supported by strong domestic consumption and policy-led investment, though elevated tariff uncertainty weighed on business confidence through much of the fiscal year. The Eurozone struggled with 1.1–1.4% growth as Germany's structural industrial challenges persisted. China growth held near 5.0%, but continued its multi-year structural deceleration, amid a stagnant property sector and subdued household consumption. Emerging market and developing economies outperformed the aggregate at 4.4%, with Emerging Asia — led decisively by India — remaining the primary engine of incremental global growth.

The defining trade development of FY26 was the Trump administration's tariff regime, which pushed effective US import levies to levels not seen in a century before a February 2026 interim deal with India reduced the applicable rate from a peak of approximately 50% to 18%, in exchange for India expanding US energy and agricultural purchases and lowering its own trade barriers. This partial resolution provides meaningful relief for India's export-oriented MSME sector, though the broader trade environment remains fragmented, with protectionist measures now affecting over 11% of global imports.

Artificial intelligence and the new axis of divergence. Where an economy sits on the AI value chain is becoming as consequential as its traditional growth drivers. The gains have accrued unevenly: nations owning the upper layers of the stack — advanced semiconductors, compute, and frontier models — capture most of the productivity premium and investment inflows, while economies positioned mainly as adopters depend on

continued access to capabilities they do not control. This AI capital-expenditure boom has been a material support to US growth in particular.

Recent actions restricting cross-border access to frontier AI models on national-security grounds have underscored how readily that access can be curtailed along national lines, elevating AI sovereignty — a nation's control over its own AI technology, compute, and talent — from a theoretical debate to a near-term strategic priority. For India, this strengthens the case for sovereign compute, indigenous model development, and a domestic talent ecosystem, even as it benefits as both a services exporter and a large-scale adopter.

Monetary policy across developed economies moved in an easing direction, but unevenly. The US Federal Reserve held rates through the first three quarters of 2025 before delivering three consecutive 25 basis point cuts in its final meetings of the year, bringing the federal funds rate to 3.5–3.75%. This easing cycle was then interrupted by the West Asia conflict, which stoked fresh energy-price and inflation concerns and led the Fed to pause through early 2026. The European Central Bank and Bank of England moved more aggressively with multiple cuts as their economies cooled. In a historic reversal, the Bank of Japan continued to normalise policy, raising rates toward 0.5% to address domestic price pressures.

Looking into FY27, the trajectory will depend critically on the duration and resolution of the West Asia conflict, the path of AI-driven productivity, and the degree of further trade and technological fragmentation. *With baseline global growth projected in the 2.9–3.2% range across the major forecasters and downside risks dominating, the principal transmission channels for India remain oil prices, rupee stability, FPI flows, and — increasingly — secure access to AI compute and capability. All will require continued macroprudential and strategic vigilance.* For India, the principal transmission channels remain oil prices, rupee stability, and FPI flows — all of which will require continued macroprudential vigilance.

Indian Economy

India continues to be among the fastest-growing major economies globally in FY 2025-26, with real GDP expanding at an estimated 7.6% under the National Statistical Office's revised 2022-23 base year series — surpassing earlier projections of 6.5–6.9% and overtaking Japan to become the world's fourth-largest economy in nominal GDP terms. This outcome is not incidental; it reflects the compounding of structural reforms, sustained public investment, and a consumer economy that has found its stride.

Growth was broad-based and domestically anchored. Private Final Consumption Expenditure — the largest constituent of GDP — expanded by approximately 7.5% in the first half of the year, the strongest pace since FY12, supported by income tax rationalisation in the Union Budget, GST 2.0 rate simplification implemented in September 2025, falling inflation, and a gradual but meaningful rural consumption recovery. Manufacturing maintained double-digit growth for five consecutive quarters through Q3 FY26, underpinned by inventory stocking, PLI scheme momentum, and improved capacity utilisation. The services sector reached a seven-quarter high of 9.5% growth in Q3 FY26, led by financial services, real estate, trade, and transport.

The most consequential macroeconomic development for credit markets was the inflation and interest rate story. CPI inflation averaged approximately 2.1% for the full year — the lowest in recent history — driven by nine consecutive months of food price disinflation and a favourable monsoon. Core inflation (excluding gold) held steady at around 2.6%, confirming that underlying price pressures were well contained. This created the conditions for the Reserve Bank of India to deliver one of its sharpest easing cycles in memory: the MPC cut the policy repo rate by a cumulative 125 basis points between February and December 2025, bringing it to 5.25% — the lowest since July 2022. Alongside rate cuts, the RBI injected approximately ₹6.95 lakh crore through open market operations and conducted \$25 billion in forex swaps, ensuring that liquidity conditions

remained supportive of credit growth. The weighted average lending rate on fresh rupee loans fell by approximately 59 basis points over the year — directly benefiting borrowers across all segments Protium serves.

The rate pause that followed — the MPC held at 5.25% in its February and April 2026 meetings — reflected prudent caution in the face of the West Asia conflict's potential to raise imported inflation. For Protium, this environment translates into a net positive: the transmission of lower funding costs into the borrowing base has already commenced, and the easing cycle, even if paused, materially reduces the cost of new term borrowings raised in FY26 compared to the prior year.

On the fiscal and external fronts, the central government maintained its consolidation trajectory, with the fiscal deficit narrowing to 4.4% of GDP against 4.8% in FY25. Central capital expenditure held at approximately ₹11.21 lakh crore (3.1% of GDP), reinforcing infrastructure creation that improves regional connectivity and economic activity in the semi-urban and rural markets Protium operates in. GST collections exceeded ₹20 lakh crore for the full year — a record — reflecting the deepening formalisation of the economy. Foreign exchange reserves stood at US\$691 billion at end-March 2026, providing over 11 months of import cover. India received a landmark sovereign upgrade from S&P in August 2025 — its first in 18 years — raising its long-term rating to 'BBB' with a Stable Outlook, recognising the combination of dynamic economic growth, fiscal discipline, and improved governance.

The rural economy, which directly influences repayment capacity in Protium's Emerging Market and Micro LAP segments, provided a stabilising underpinning. Foodgrain production reached record levels for the FY26 crop year supported by a normal monsoon. Tractor sales, two-wheeler demand, and FMCG volumes converged to signal a gradual but durable synchronisation of rural and urban consumption trends — a structural shift that validates the geographic direction of Protium's portfolio.

Indian Financial Services and NBFC Sector

India's NBFC sector entered FY 2025-26 larger, better capitalised, and more diversified than at any prior point — and the year reinforced that structural strength even as it demanded greater discipline in specific sub-segments. Cumulative NBFC assets under management crossed approximately ₹50 lakh crore and are expected to surpass ₹50 lakh crore on an ex-government basis by FY27, according to CRISIL Ratings. NBFC credit growth is estimated at approximately 16.7% year-on-year in FY26, a modest moderation from 18.4% in FY25, partly reflecting the recalibration of unsecured retail portfolios as lenders responded to early delinquency signals. Systemwide bank credit grew at approximately 14.5–15.9% over the same period, confirming that NBFCs continue to outpace the broader credit market. The NBFC sector accounts for approximately 21% of systemic credit and roughly 57% of NBFC lending is in retail segments — a significantly higher retail orientation than the banking system, which stands at approximately 40%.

The most consequential regulatory development of FY26 was the RBI's reversal of the November 2023 risk-weight hike on bank loans to NBFCs, effective 1 April 2025. For NBFCs rated A and above, bank lending risk weights were reduced by 25 percentage points, restoring rating-based treatment. Simultaneously, consumer credit risk weights on microfinance exposures were reduced from 125% to 100%. These measures freed up bank capital and improved the cost and availability of bank funding to NBFCs — a meaningful tailwind for Protium's liability franchise management in FY26. The RBI also initiated a comprehensive review of the Scale-Based Regulation framework in December 2025, signalling an evolving, more nuanced approach to NBFC oversight that the Company monitors closely.

Asset quality across the broader NBFC sector remained resilient, with GNPA ratios for well-managed players in the 2.0–2.5% range, though the picture is not uniform. The personal loan and microfinance segments were the clear stress pockets: the GNPA ratio for NBFC personal loans rose to approximately 8.1%, with acute stress

in sub-₹50,000 ticket loans. Microfinance gross portfolio contracted approximately 17% year-on-year as lenders pulled back, with industry-wide overdues spiking in stressed states including Bihar, West Bengal, Karnataka, and Assam. This MFI distress has begun to spill over into adjacent small-ticket secured lending, creating early delinquency pressure in borrower cohorts that overlap with the microfinance customer base. Protium's deliberate decision to scale down its unsecured small-ticket business in FY26 must be understood in this context — it was a forward-looking credit quality decision, not a capacity constraint.

For secured MSME and LAP lenders with disciplined underwriting — the segment where Protium is consolidating its position — the FY26 environment was fundamentally constructive. Falling funding costs, the risk-weight easing, and a government that doubled the CGTMSE guarantee ceiling to ₹10 crore effective 1 April 2025 all point in the same direction: structured, collateral-backed MSME credit is the preferred and policy-supported credit channel in India, and Protium is well-positioned within it.

Credit Environment and Lending Landscape

India's financial system recorded steady credit expansion, low asset quality stress and evolving regulatory measures in FY26. The incremental bank credit growth for FY26 is estimated at ~₹26 Tn, ~14.5% Y-o-Y expansion.

The Union Budget FY 2026-27 sustained capital expenditure at approximately `12.2 Lakh Crore, while strengthening MSME credit guarantee frameworks, digital infrastructure and skilling initiatives. These measures are structurally positive for credit demand, entrepreneurship and employment generation.

The credit landscape of FY26 underwent a visible structural shift: secured products gained ground over unsecured, volume migrated from metro to Tier 2 and Tier 3 markets, and lender discipline around underwriting standards tightened meaningfully. India's retail lending market surpassed ₹162.7 lakh crore by December 2025, supported by 690 million active accounts. Within this, gold loans and auto loans significantly outperformed the unsecured segments, while the personal loan segment experienced what analysts characterised as a 'measured normalisation' — a polite description of deliberate pullback by lenders responding to rising delinquencies in small-ticket unsecured cohorts.

For Protium, two structural trends in the credit landscape are particularly relevant. First, the Micro Loan Against Property segment — small-ticket secured loans to micro enterprises and informal sector borrowers using residential or commercial property as collateral — is growing at 20–25% annually, with NBFCs commanding over 45% market share in the sub-₹10 lakh ticket category. Second, the MSME credit market continues to formalise rapidly, with the Udyam ecosystem recording approximately 7.1–7.3 crore registered enterprises by end-2025, each generating a digital footprint — GST, UPI cashflows, banking analytics — that supports more precise underwriting. Total commercial MSME credit reached approximately ₹34 lakh crore, growing at 12–13% year-on-year. These are the tailwinds behind Protium's strategic choices in FY26.

2. COMPANY OVERVIEW

Protium Finance Limited ("Protium" or "the Company") is a Non-Banking Financial Company registered with the Reserve Bank of India, classified as a Middle Layer NBFC under the Scale-Based Regulation framework. The Company is headquartered in Mumbai. Protium has two wholly owned subsidiaries — Protium Business Services Private Limited and Shibui Technologies Private Limited — which support its business operations and technology infrastructure respectively.

Founded during the COVID-19 period, Protium carries the advantage of an insignificant pre-pandemic legacy portfolio, a clean balance sheet built on contemporary underwriting disciplines, and a culture of engineering-

led process rigour embedded across all aspects of lending. The Company's leadership team brings deep domain expertise in the specific segments it serves, and this institutional knowledge has been the primary driver of portfolio quality through multiple credit cycles.

Business Model and Strategic Positioning

Protium's core thesis is straightforward: there exists a large, structurally underserved segment of India's credit market — micro and small enterprises, informal sector proprietors, self-employed borrowers in semi-urban and emerging markets — that possesses genuine creditworthiness but lacks the formal documentation profiles required by banks. By combining proprietary technology, local geographic expertise, and a collateral-backed lending discipline, Protium bridges this gap in a manner that is both financially sustainable and socially purposeful.

FY26 marked a deliberate strategic pivot within this broad thesis. The Company accelerated its focus on Micro Loan Against Property as its primary growth engine, consolidating its position in SME Business Loans backed by collateral, and made the considered decision to scale down its unsecured small-ticket lending as early delinquency trends in this segment — visible across the industry — warranted a recalibration of risk appetite. This is not a retreat from growth; it is a redeployment of growth capital toward segments with superior risk-adjusted returns and stronger portfolio durability. The strategy is consistent with the broader market trend toward secured, collateral-backed credit as the preferred mode of productive lending.

Distribution and Sourcing Model

Protium operates through a phygital distribution model that combines branch-based local origination with technology-enabled underwriting and processing. As of 31 March 2026, the Company's physical presence spans 135 branches in 17 states and union territories, with a strategic concentration in semi-urban and Tier 2/3 markets that are the natural habitat of its target customer segments.

Sourcing in the Micro LAP is primarily through direct sales teams and local connectors, and SME business loans through direct selling agents, with branch staff playing a central role in customer assessment and relationship management. The co-lending partnership and direct assignment transactions, continued to be a funding and capital management tool in FY26.

Key Competitive Strengths

Protium's competitive differentiation rests on four interconnected pillars. Its technology and data infrastructure enables faster credit decisions, more precise borrower assessment, and real-time portfolio monitoring — capabilities that are particularly differentiated in the Emerging Market and Micro LAP segments where information asymmetry is highest. Its local geographic intelligence, built through its branch network and direct sales teams, allows it to make underwriting calls on informal-income borrowers that centralised models cannot easily replicate. Its balance sheet discipline — reflected in a CRAR of 38.70% as of March 2026 and entirely secured borrowings — provides the capital resilience to sustain growth through the credit cycle.

3. KEY FY26 HIGHLIGHTS

Protium delivered strong growth in FY 2025-26, with the loan book expanding to ₹5,240.38 crore as of 31 March 2026, representing a growth of approximately 20.81% year-on-year. Total income for the year reached ₹1,210.87 crore, an increase of approximately 19.75% over FY25's ₹1,011.16 crore, while Profit After Tax grew to ₹173.53 crore from ₹171.00 crore in the prior year. Disbursements for FY26 stood at ₹5,676 crore, reflecting 11.72% growth year-on-year.

The composition of the book shifted meaningfully in FY26, consistent with strategy. The unsecured lending component was deliberately reduced, with new origination in this segment restricted to well-seasoned customer profiles. The overall secured proportion of the loan book improved to approximately 74% as of 31 March 2026, from 65% in FY25 — a tangible reflection of the quality upgrade in the portfolio mix.

Asset quality remained healthy. Stage-3 assets stood at 2.10% as of 31 March 2026, compared to 2.41% in FY25, [improving/holding stable] despite the general credit stress visible in small-ticket unsecured segments across the industry. The CRAR remained well above the regulatory minimum at 38.70%, maintaining the Company's capital-efficient but conservatively capitalised posture.

Strategic Initiatives

FY26 was defined by three strategic priorities. The first was the Micro LAP scale-up, through which the Company expanded in the number of branches actively originating Micro LAP, invested in specialised underwriting and field verification capabilities for the informal income customer segment, and built a proprietary property valuation framework tailored to Tier 2 and Tier 3 markets.

The second was underwriting tightening and portfolio quality reinforcement in SME LAP. In response to early signals of stress in the broader MSME lending market, Protium tightened its credit filters in the second half of FY25 and carried these enhancements through FY26. Key actions included: introduction of enhanced real-time monitoring dashboards for the SME portfolio, revised income assessment methodologies for self-employed borrowers, strengthened collateral verification processes, and a deliberate reduction in exposure to borrower segments with overlapping microfinance indebtedness.

The third was the deliberate scale-down of unsecured small-ticket lending. This was a risk-adjusted strategic decision grounded in the observable delinquency deterioration across the industry in this segment. GNPA ratios for small-ticket unsecured NBFC loans exceeded 8% across the industry in FY26, with sub-₹50,000 ticket loans seeing stress of over 39% (including write-offs). Protium chose to redirect the capital and organisational capacity freed up by this reduction into the Micro LAP and secured SME segments — a trade that the Company expects to improve overall portfolio durability and ROA quality over the medium term.

Outlook year forward

Protium enters FY 2026-27 with a well-capitalised balance sheet, a portfolio mix that has been deliberately repositioned toward secured, collateral-backed lending, and a branch network that is increasingly productive in its target geographies. The Company's strategic priorities for FY27 remain anchored in disciplined growth: deepening Micro LAP penetration in existing geographies, selectively expanding the SME LAP book in markets where underwriting visibility is high, and maintaining the quality-first posture that defined the FY26 recalibration. The macroeconomic environment — with the RBI's easing cycle having meaningfully reduced funding costs and the CGTMSE guarantee ceiling now doubled — is structurally supportive of the segments Protium serves. The Company is watchful of emerging risks including the potential spillover of MFI stress into adjacent segments and any reversal in the interest rate cycle triggered by geopolitical developments and will calibrate disbursement pace and portfolio mix accordingly. The outlook for Protium's core business remains positive, supported by the structural under penetration of formal credit in the MSME and informal sector segments that constitute the Company's primary market.

4. RISK MANAGEMENT

Protium views risk management as an integral dimension of sustainable value creation rather than a compliance obligation. The Company's Enterprise Risk Management (ERM) framework provides a structured approach to

identifying, assessing, and mitigating threats across all business functions, ensuring that risk considerations are embedded in every strategic decision. The framework is reviewed periodically and is aligned with the RBI's Scale-Based Regulation Master Directions applicable to Middle Layer NBFCs.

The Board of Directors holds ultimate accountability for risk governance, exercising oversight through the Risk Management Committee (RMC), which convenes at defined intervals to review the enterprise risk landscape, assess control efficacy, and approve changes to risk appetite and policy. The RMC works in concert with the Asset Liability Management Committee (ALCO), the Operational Risk Management Committee, and the Internal Audit function. Risk management is organised along a Three Lines of Defence model: business units own day-to-day risks; the Risk Management and Compliance functions provide independent oversight; and Internal Audit provides objective assurance on the adequacy of controls.

The table below summarises the primary risk categories managed by Protium, the potential impact of each, and the key mitigation measures in place.

Risk Category	Sub-Risk	Potential Impact	Mitigation Strategy
Credit Risk	Default Risk — risk of borrowers failing to meet repayment obligations	Increased NPAs, higher provisioning, adverse impact on profitability	Collateral-backed underwriting (property as security for LAP); bureau-based credit assessment incorporating CIBIL, Experian, and CRIF data; field income verification by trained loan officers; indebtedness screening to identify and de-prioritise MFI-overleveraged borrowers
Credit Risk	Concentration Risk — overexposure to a single borrower, sector, or geography	Vulnerability to localised economic downturns; elevated loss in stress scenarios	Portfolio-level exposure limits by product, geography, and borrower segment reviewed quarterly by RMC; granular loan book with average ticket; co-lending and direct assignment arrangements distributing origination across bank partners
Credit Risk	Portfolio Quality — early delinquency stress, particularly in unsecured segments	NPA migration, credit cost escalation	Real-time Early Warning Signal dashboards monitoring 15-DPD and 30-DPD triggers at branch, state, and product level; deliberate scale-down of unsecured small-ticket lending in FY26; monthly portfolio reviews with escalation protocols
Liquidity Risk	Funding Disruption — inability to meet obligations as they fall due	Constraints on disbursements; increased borrowing costs; lender confidence erosion	Structural positive cumulative gap across all maturity buckets; LCR maintained above 100% regulatory minimum; diversified borrowing base across lenders; undrawn committed credit facilities as liquidity buffer; tested Contingency Funding Plan
Market Risk	Interest Rate Risk — impact of rate movements on borrowing costs and NIM	NIM compression; earnings volatility in rate reversal scenarios	ALCO-led gap analysis and earnings-at-risk monitoring; fixed-rate asset book provides near-term NIM stability; liability tenor and rate structure calibrated at each ALCO meeting; scenario testing for ± 100 bps and ± 200 bps parallel rate shifts

Market Risk	Maturity Mismatch — asset-liability tenor gaps	Liquidity stress; refinancing risk in adverse markets	Monthly bucket-wise gap monitoring; one-year cumulative gap positive; average liability tenor managed in alignment with loan portfolio residual maturity
Operational Risk	People and Process Risk — failures in internal processes, systems, or controls	Financial loss; reputational damage; regulatory consequences	Maker-checker protocols for all disbursements; segregation of origination, credit, and disbursement functions; documented SOPs across the loan life cycle; KRI monitoring by Operational Risk Management Committee; RCA and CAPA mechanism for audit observations
Operational Risk	IT and Technology Risk — system failures, cybersecurity threats, data breaches	Operational disruption; compromise of customer data; regulatory exposure	ISO 27001-aligned information security framework; multi-layered cybersecurity architecture; access management and data protection controls; periodic penetration testing; Business Continuity and Disaster Recovery arrangements tested periodically
Compliance and Regulatory Risk	Evolving regulatory requirements under RBI SBR framework	Financial penalties; operational constraints; reputational damage	Dedicated Compliance function with regulatory calendar tracking all applicable RBI directions; proactive policy updates for LCR norms, ECL provisioning, and Fair Practice Code; mandatory KYC/AML and compliance training across all employees
Emerging Risk	MFI stress spillover into small-ticket secured lending	Rising early delinquencies in Micro LAP and small-ticket SME cohorts	Enhanced indebtedness screening at underwriting; tightened debt-service coverage norms in Micro LAP; geographic DPD monitoring for MFI-exposed markets; deliberate reduction of unsecured book in FY26
Emerging Risk	Geopolitical and macro risk — West Asia conflict, oil price spike, rupee depreciation	Imported inflation; RBI rate reversal; funding cost increase	Longer-tenor fixed-rate borrowings locked in during the FY26 easing cycle; ALCO stress tests for rate-hike scenario; diversified export-linked borrower base limits macro transmission into portfolio

5. ASSET LIABILITY MANAGEMENT

The Asset Liability Management framework at Protium is a Board-mandated function governed by a formal ALM Policy and overseen by the ALCO, which meets at least monthly and is chaired by the Managing Director. ALCO serves as the primary decision-making body for the management of liquidity risk, interest rate risk, funding diversification, and the structural alignment of asset and liability cash flows.

Liquidity Management. Protium maintains a structural positive cumulative gap across all maturity buckets, ensuring that cumulative asset cash flows exceed liability obligations at every horizon. The Liquidity Coverage Ratio averaged 182.38% for Q4 FY26, comfortably above the regulatory minimum. Stress testing is conducted quarterly under scenarios including a simultaneous reduction in bank credit lines and acceleration of liability repayment. A tested Contingency Funding Plan defines the response playbook for acute liquidity stress events.

Interest Rate Risk Management. The balanced-rate nature of Protium's loan book provides inherent NIM stability on the asset side. ALCO monitors the repricing gap between assets and liabilities on a monthly basis and conducts quarterly earnings-at-risk assessments for ± 100 and ± 200 basis point interest rate scenarios.

Funding Diversification. Total borrowings stood at ₹3,852.25 crore as of 31 March 2026, diversified across 31 lenders comprising scheduled commercial banks, NBFCs, and development finance institutions. The average cost of borrowings declined by approximately 75 basis points year-on-year, reflecting the transmission of the RBI's 125 basis point easing cycle into the Company's incremental funding costs.

ALCO Oversight. Beyond liquidity and interest rate risk, ALCO provides strategic guidance on borrowing mix, tenor management, pricing strategy for new loans, and the investment of surplus funds. Balance sheet planning from a risk-return perspective — including decisions on co-lending utilisation, direct assignment volumes, and NCD issuance timing — is coordinated through ALCO, ensuring that capital deployment remains aligned with the Company's risk appetite and profitability objectives.

6. INTERNAL FINANCIAL CONTROLS

Protium has established an internal control framework commensurate with the scale, nature, and complexity of its lending operations, designed to provide reasonable assurance over the reliability of financial reporting, the safeguarding of assets, and adherence to applicable laws and regulations. The control environment is anchored in Board-approved policies, documented Standard Operating Procedures across the loan life cycle, role-based technology access controls, and a maker-checker discipline ensuring that no material financial transaction is executed without independent authorisation.

Internal Audit. The Internal Audit function operates under a Board-approved Charter and follows a Risk-Based Internal Audit (RBIA) methodology. The annual audit plan, formulated from a comprehensive risk assessment of business processes and approved by the Audit Committee, prioritises coverage of areas with the highest risk to portfolio quality, financial reporting integrity, and regulatory compliance. Audit coverage spans branch operations, credit underwriting, collections, treasury and ALM, and IT systems. Findings are categorised by risk severity, and process owners implement agreed remedial actions within defined timelines. Significant observations and management responses are presented to the Audit Committee at each meeting. External auditors additionally provide independent assurance on the adequacy and operating effectiveness of internal financial controls over financial reporting.

Compliance Monitoring. The Compliance function, operating independently of business units, maintains a regulatory compliance calendar that tracks all applicable RBI Master Directions, Companies Act obligations, and sector-specific requirements. Mandatory training on the Fair Practice Code, KYC/AML requirements, data privacy, and cybersecurity is conducted at induction and refreshed annually across all employees. Compliance reviews at branches and central functions are reported to the Audit Committee and the Board RMC on a quarterly basis.

7. HUMAN RESOURCES

Protium recognises that the quality of its lending outcomes is inseparable from the quality of its people — their domain expertise, their integrity, and their commercial judgement in assessing borrowers that conventional credit models cannot easily read. As of 31 March 2026, the Company employed 3404 across its corporate offices and branch network.

Learning and Development. Structured training programmes were expanded in FY26, covering Micro LAP underwriting and informal income assessment for loan officers, credit quality and portfolio monitoring

workshops for branch managers, and mandatory compliance training across all functions. The Company invested in leadership development for mid-level managers to deepen the management bench in line with the Company's growth trajectory.

Performance Culture. Protium operates a performance management system that links individual objectives to team and organisational outcomes, with a balanced scorecard that encompasses portfolio quality metrics alongside volume and customer satisfaction measures.

Diversity and Well-Being. Women constituted 11.31% of the total workforce as of 31 March 2026, with continued focus on hiring through community networks as part of the Company's financial inclusion commitment. Employees are covered by comprehensive medical insurance, group term life cover, and an Employee Assistance Programme providing confidential wellness and counselling support.

On behalf of the Board of Directors
For Protium Finance Limited

Sd/-

Peeyush Misra
Chairperson of Board
DIN: 08422699

Date: August 3, 2026
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Protium Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Protium Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (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 that, for the accounting software used by the Company for payroll and vendor record maintenance and processing (operated by third-party software service providers), we have not been able to obtain sufficient and appropriate audit evidence that the backup of books maintained in electronic mode was maintained on servers physically located in India on a daily basis, as explained in note 68 to the standalone financial statements, and the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 37 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 37 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred 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 the note 61 to the standalone 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 61 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the

understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company; and

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software except that, in respect of the software used for general ledger the audit trail feature was not enabled, and in respect of the software used for loan origination and loan management, the audit trail feature for direct changes to database was not enabled or did not capture the requisite attributes. Also, in respect of the software operated by third-party software service providers for payroll and vendor record maintenance and processing, in the absence of an appropriate Service Organization Controls report, we are unable to comment on whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with, as described in note 68 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, where the audit trail was enabled. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 68 to the financial statements.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No:101049W/E300004



per Amit Lahoti

Partner

Membership No.: 132990

UDIN: 26132990YANZBB5715

Mumbai

May 05, 2026

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Standalone Financial Statements of Protium Finance Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of the intangible assets recognized in the standalone financial statements.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's nature of business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 17 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) The Company's principal business is to give loans and is a registered non-banking financial company ('NBFC'). Accordingly, reporting under clause (iii)(a) is not applicable to the Company.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, limited liability partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing business and other loans to individual and corporate customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company, except for the loan granted to the subsidiary company which is repayable on demand. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish borrower-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for 1,359 loans classified as credit impaired ('stage 3') with aggregate exposure of principal and interest of Rs.11,012 lakhs, 1,244 loans where credit risk has increased significantly since initial recognition ('stage 2') with aggregate exposure of principal and interest of Rs.9,040 lakhs and 1,170 loans where the credit risk has not increased significantly since initial recognition but have some overdue of up to 30 days ('stage 1') with aggregate exposure of principal and interest of Rs.8,273 lakhs as at March 31, 2026, in respect of which the Company has disclosed staging in note

43 to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS), the parties in respect of 47,075 loans with aggregate exposure of principal and interest of Rs.495,713 lakhs are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, as disclosed in note 43 to the standalone financial statements, the total amount outstanding of loans classified as credit impaired ('stage 3') (including loans overdue for more than ninety days) as at March 31, 2026 is Rs. 11,012 lakhs (1,359 loans). In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) The Company's principal business is to give loans and is a registered NBFC. Accordingly, reporting under clause (iii)(e) is not applicable.
- (f) As disclosed in note 46 to the standalone financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Act:

Particulars	All Parties (Rs. in lakhs)	Related Parties (Rs. in lakhs)
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	200.74	200.74
Percentage of loans/ advances in nature of loans to the total loans	0.04%	0.04%

- (iv) Investments in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.

There are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues, as applicable to the Company, which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirements to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any non-banking financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current or the immediately preceding financial year.



- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 40 to the standalone financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 40 to the standalone financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No:101049W/E300004



per Amit Lahoti
Partner
Membership No.: 132990

UDIN: 26132990YANZBB5715

Mumbai
May 05, 2026

Annexure 2 referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Standalone Financial Statements of Protium Finance Limited

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 with reference to standalone financial statements of Protium Finance Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 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 issued by the ICAI.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No:101049W/E300004



per Amit Lahoti

Partner

Membership No.: 132990

UDIN: 26132990YANZBB5715

Mumbai

May 05, 2026

Protium Finance Limited

Standalone Balance Sheet as at March 31, 2026

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
Financial assets			
Cash and cash equivalents	5	49,831.49	84,033.23
Bank balances other than cash and cash equivalents	6	20,117.69	41,955.83
Derivative financial instrument	14	9,595.42	41.52
Trade receivables	7	508.80	415.06
Loans	8	5,12,761.89	4,24,224.21
Investments	9	34,625.13	52,427.75
Other financial assets	10	48,534.97	35,857.15
Total financial asset		6,75,975.39	6,38,954.75
Non-financial assets			
Current tax assets (net)	34	198.96	432.23
Property, plant and equipment	11	3,210.12	2,307.82
Intangible assets under development	12	118.09	87.55
Intangible assets	12	2,659.23	3,207.15
Other non-financial assets	13	4,092.61	4,311.56
Total non-financial assets		10,279.01	10,346.31
Total Assets		6,86,254.40	6,49,301.06
Liabilities			
Financial liabilities			
Trade payables	15	534.59	347.32
(i) total outstanding dues of micro and small enterprises		1,322.90	474.41
(ii) total outstanding dues of creditors other than micro and small enterprises		-	2,517.94
Debt securities	16	3,85,224.72	3,77,669.63
Borrowings (other than debt securities)	17	22,626.04	10,788.22
Other financial liabilities	18	4,09,708.25	3,91,797.52
Total financial liabilities		4,09,708.25	3,91,797.52
Non-financial liabilities			
Provisions	19	859.28	541.79
Deferred tax liabilities (net)	20	8,493.99	6,610.68
Other non-financial liabilities	21	2,030.60	3,843.12
Total non-financial liabilities		11,383.87	10,995.59
Equity			
Equity share capital	22	14,604.96	14,569.21
Other equity	23	2,50,557.32	2,31,938.74
Total Equity		2,65,162.28	2,46,507.95
Total liabilities and equity		6,86,254.40	6,49,301.06
Material accounting policies	2-4		
See accompanying notes forming part of the standalone financial statements	5-78		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Ahahoti
per Amit Lahoti
Partner
Membership No. 132990



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

Peeyush Misra
Peeyush Misra
Managing Director & CEO
DIN: 08422699

Parveen Kumar Gupta
Parveen Kumar Gupta
Independent Director
DIN: 02895343

Amit Gupta
Amit Gupta
Chief Financial Officer

Anshu Mohhta
Anshu Mohhta
Company Secretary
Membership No: A18287

Place: Mumbai
Date: May 05, 2026

Place: Mumbai
Date: May 05, 2026

Place: Mumbai
Date: May 05, 2026



Protium Finance Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	24	87,745.35	69,145.52
Fees and commission income	25	4,772.41	3,979.19
Net gain/(loss) on fair value changes	26	877.31	533.12
Net gain on derecognition of financial instruments	27	26,163.11	25,391.32
Total revenue from operations		1,19,558.18	99,049.15
Other income	28	1,529.41	2,066.60
Total income		1,21,087.59	1,01,115.75
Expenses			
Finance costs	29	39,655.47	30,443.14
Impairment on financial instruments	30	18,210.30	13,001.67
Employee benefits expenses	31	23,969.37	20,901.55
Depreciation and amortisation expenses	32	3,498.33	3,176.44
Other expenses	33	12,510.47	11,044.29
Total expenses		97,843.94	78,567.09
Profit before tax		23,243.65	22,548.66
Tax expenses:	34		
Adjustment to tax relating to earlier periods		-	(329.78)
Current tax		4,144.34	2,762.41
Deferred tax		1,745.98	3,015.37
Profit after tax		17,353.33	17,100.66
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(134.32)	(81.77)
(ii) Income tax impact thereon		33.81	20.58
Subtotal (a)		(100.51)	(61.19)
(i) Items that will be reclassified to profit or loss			
- The effective portion of gain / (loss) on hedging instruments		664.57	(968.76)
- The effective portion of gain / (loss) on loans		15.38	(223.15)
(ii) Income Tax impact thereon		(171.14)	300.00
Subtotal (b)		508.81	(891.91)
Other comprehensive income net of tax (a + b)		408.30	(953.09)
Total comprehensive income for the year		17,761.63	16,147.57
Earnings per equity share (nominal value of share: ₹10 (Previous year: ₹10))			
Basic	35	11.90	11.77
Diluted	35	11.85	11.73
Material accounting policies	2-4		
See accompanying notes forming part of the standalone financial statements	5-78		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Ahahoti

per Amit Lahoti
Partner
Membership No. 132990



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

Peeyush Misra

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Amit Gupta
Chief Financial Officer

Baryeen Kumar Gupta
Baryeen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No: A18287

Place: Mumbai
Date: May 05, 2026

Place: Mumbai
Date: May 05, 2026

Place: Mumbai
Date: May 05, 2026



Protium Finance Limited

Standalone Statement of Cash Flows for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	23,243.65	22,548.66
Adjustments:		
Depreciation and amortization	3,498.33	3,176.44
(Gain)/Loss on sale of property, plant and equipment	(1.82)	17.11
Impairment on financial instrument	25,214.88	15,199.67
Net gain on fair value changes	(14,914.95)	(3,551.35)
Share based payment expense	299.24	825.46
Operating cash flows before working capital changes	37,339.34	38,215.99
Changes in working capital		
Increase in provision	183.17	147.18
Decrease in lease liability	(1,786.51)	(1,388.20)
Increase in loans	(1,13,280.59)	(1,15,805.77)
(Increase)/Decrease in trade receivables	(150.83)	89.54
Increase in other financial assets	(12,841.35)	(12,146.76)
(Increase)/Decrease in other non-financial assets	218.95	(2,307.08)
(Decrease)/Increase in trade payables	1,035.76	(1,558.71)
(Decrease)/Increase in other financial liabilities	10,660.57	(2,970.17)
(Decrease)/Increase in other non-financial liabilities	(1,812.51)	698.07
Cash generated from operations	(80,434.00)	(97,025.91)
Income taxes paid	(3,911.07)	(1,580.54)
Net cash generated from / (used in) operating activities (A)	(84,345.08)	(98,606.45)
Cash flows from investing activities		
Purchase of property, plant and equipment	(289.38)	(340.69)
Disposal of property, plant and equipment	5.97	134.27
Addition of intangible assets including intangible under development	(620.11)	(1,121.30)
Sale of investments	2,90,972.34	1,12,962.82
Purchase of investments	(2,58,504.89)	(1,34,941.38)
Net Proceeds/(purchase) from redemption of fixed deposits with banks	21,838.14	513.80
Net cash generated from / (used in) investing activities (B)	53,402.07	(22,792.48)
Cash flows from financing activities		
Repayment of debt securities	(2,517.94)	(7,475.00)
Proceeds from borrowings (other than debt securities)	3,72,777.49	2,61,542.03
Repayment of borrowings (other than debt securities)	(3,74,111.73)	(1,39,234.93)
Proceeds from issuance of Equity share capital	593.33	912.68
Share issuance expenses	0.12	-
Net cash generated from / (used in) financing activities (C)	(3,258.73)	1,15,744.78
Net decrease in cash and cash equivalents (A + B + C)	(34,201.74)	(5,654.15)
Cash and cash equivalents at the beginning of the year	84,033.23	89,687.38
Cash and cash equivalents at the end of the year	49,831.49	84,033.23
Reconciliation of cash and cash equivalents with the balance sheet		
Cash on hand	-	-
Balances with banks		
- in current accounts	37,271.14	28,250.28
Deposits with original maturity of less than three months	12,560.35	55,782.95
Cash and cash equivalents in cash flow statement	49,831.49	84,033.23



Protium Finance Limited

Standalone Statement of Cash Flows for the year ended March 31, 2026

1) Net cash generated from operating activity is determined after adjusting the following

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest received	78,822.84	57,456.31
Interest paid	37,696.00	28,893.45

2) Changes in liability arising from financing activities :-

(A) Changes in capital and asset structure

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities

Particulars	As at April 01, 2025	Cash flows	Change in fair value	Other	As at March 31, 2026
Debt securities	2,517.94	(2,517.94)	-	-	-
Borrowings (other than debt securities)	3,77,669.63	(2,881.99)	10,437.08	-	3,85,224.72
Total	3,80,187.57	(5,399.93)	10,437.08	-	3,85,224.72

Particulars	As at April 01, 2024	Cash flows	Change in fair value	Other	As at March 31, 2025
Debt securities	10,592.30	(8,074.36)	-	-	2,517.94
Borrowings (other than debt securities)	2,53,717.86	1,22,906.46	1,045.31	-	3,77,669.63
Total	2,64,310.16	1,14,832.10	1,045.31	-	3,80,187.57

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

per Amit Lahoti

Partner

Membership No. 132990



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

Peeyush Misra

Managing Director & CEO

DIN: 08422699

Amit Gupta

Chief Financial Officer

Place: Mumbai

Date: May 05, 2026

Parveen Kumar Gupta

Independent Director

DIN: 02895343

Anshu Mohta

Company Secretary

Membership No: A18287

Place: Mumbai

Date: May 05, 2026



Protium Finance Limited

Statement of changes in equity for the year ended March 31, 2026

A. Equity share capital

Particulars	₹ in lakhs	
	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	14,569.21	14,514.23
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	14,569.21	14,514.23
Changes in equity share capital during the year	35.75	54.98
Balance as at the end of the year	14,604.97	14,569.21

Refer note 22 for details

B. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2025	1,98,929.53	7,275.62	935.22	25,678.32	38.17	(166.98)	(751.14)	2,31,938.74
Profit for the year	-	-	-	17,353.33	-	-	-	17,353.33
Other comprehensive income (net of tax)	-	-	-	(100.51)	-	11.51	497.30	408.30
Total comprehensive income	-	-	-	17,252.82	-	11.51	497.30	17,761.63
Issue of equity instruments	771.12	-	-	-	-	-	-	771.12
Share issue expenses	(0.12)	-	-	-	-	-	-	(0.12)
Transfer to statutory reserve	-	3,470.66	-	(3,470.66)	-	-	-	-
Transfer on account of vested options lapsed	-	-	(15.82)	-	15.82	-	-	-
Share based payment during the year	-	-	85.95	-	-	-	-	85.95
Balance as at March 31, 2026	1,99,700.53	10,746.28	1,005.35	39,460.48	53.99	(155.47)	(253.84)	2,50,557.32

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2024	1,97,780.10	3,855.49	439.66	12,058.98	-	-	(26.22)	2,14,108.01
Profit for the year	-	-	-	17,100.66	-	-	-	17,100.66
Other comprehensive income (net of tax)	-	-	-	(61.19)	-	(166.98)	(724.92)	(953.09)
Total comprehensive income	-	-	-	17,039.47	-	(166.98)	(724.92)	16,147.57
Issue of equity instruments	1,149.01	-	-	-	-	-	-	1,149.01
Transfer to statutory reserve	-	3,420.13	-	(3,420.13)	-	-	-	-
Transfer on account of vested options lapsed	-	-	(38.17)	-	38.17	-	-	-
Transfer on account of stock options exercised	0.42	-	(0.42)	-	-	-	-	-
Share based payment during the year	-	-	534.15	-	-	-	-	534.15
Balance as at March 31, 2025	1,98,929.53	7,275.62	935.22	25,678.32	38.17	(166.98)	(751.14)	2,31,938.74

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Amit Lahoti

per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: May 05, 2026

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

Peeyush Misra

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta

Amit Gupta
Chief Financial Officer

Place: Mumbai
Date: May 05, 2026

Parveen Kumar Gupta

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No: A18287

Place: Mumbai
Date: May 05, 2026



Protium Finance Limited

Notes to the Standalone Financial Statements

1. Corporate information:

Protium Finance Limited (the "Company") was incorporated on March 29, 2019 vide CIN U65999MH2019PLC323293 as Growth Source Financial Technologies Private Limited. The Company is registered as Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is primarily engaged in the business of lending secured and unsecured loans in SME, MSME and Consumer Finance Segments. The Company has its registered office at Nirlon Knowledge Park (NKP) B2, 7th Floor, Pahadi, Village, Off. Western Express Highway, Goregaon (E), Mumbai, Mumbai City, Maharashtra, India, 400063. Under the scale based regulation ("SBR") the Company is categorized as middle layer (NBFC-ML).

The Audited standalone financial statement was approved by Board of Directors on May 05, 2026.

2. Basis of preparation :

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in 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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025 as amended from time to time and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

The standalone financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of lakhs with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards. Any guidance / clarifications / notifications issued by the Reserve Bank of India (RBI) are implemented as and when issued / made applicable.

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 recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the Company/ or its counterparties

3. Revenue recognition

3.1 Interest income :

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 interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the statement of profit and loss at initial recognition.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses)

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

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Protium Finance Limited

Notes to the Standalone Financial Statements

3.2 Recognition of other income :

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

- Step 1: Identify contract(s) with a customer;
- Step 2: Identify performance obligations in the contract(s);
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract(s);
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

3.3 Fees and commission income :

Fees and commission income includes Fees and commission charges other than those that are an integral part of EIR . The company recognises the other fee and commission income under the terms and conditions of the relevant contract /agreement.

3.4 Income on derecognized (assigned) loans :

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

3.5 Net gain on fair value changes :

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.6 Expenditures :

(i) Finance costs

Borrowing costs on financial liabilities are recognized using the EIR [refer note no. 3.1].

(ii) Fees and commission expense

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

(iii) Other expenses

Expenses are recognized on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.7 Financial instruments :

3.7.1 Date of recognition

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are measured at amortised cost, unless otherwise specified. All financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

3.7.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7.3 Day 1 profit and loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

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Notes to the Standalone Financial Statements

3.7.4 Classification & measurement categories of financial assets and liabilities

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Company's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

- (i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- (ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;
- (iii) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test Subsequent to the assessment to the relevant business model of the financial assets, the Company assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

Initial measurement of financial instruments The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The changes in carrying value of financial assets is recognized in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognized in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognized in Profit and loss account.

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Notes to the Standalone Financial Statements

3.8 Financial assets and liabilities :

3.8.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3.8.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

3.8.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

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Protium Finance Limited

Notes to the Standalone Financial Statements

3.8.4 Loan commitment

Undrawn loan commitments are commitments under which over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

3.8.5 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3.9 Reclassification of financial assets :

The Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

3.10 Derivative financial instruments :

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognized at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each reporting date. The resulting gains/losses are recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company designates its CCIRS derivatives as cash flow hedges of a recognized liability. The Company recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

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Notes to the Standalone Financial Statements

3.11 Derecognition of financial Instruments :

3.11.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

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.

3.11.2 Derecognition of financial liabilities

A financial liability is derecognized 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, including modified contractual cash flow recognized as new financial liability, is recognized in statement of profit and loss.

3.12 Impairment of financial assets :

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

Simplified approach

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets and liabilities :

General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the customer, and other relevant forward-looking information.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Company categorises its financial assets as follows :

Stage 1 assets

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 2 assets

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 3 assets

Stage 3 Assets are considered credit-impaired and the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or Originated Credit Impaired (POCI) assets

Assets are considered credit-impaired and the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

3.13 Collateral valuation :

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis/annual basis.

To the extent possible, the company uses active market data for valuing financial assets held as collateral.

3.14 Write-offs :

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities result in impairment gains and are credited to statement of profit and loss.

3.15 Forborne and modified loan :

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

3.16 Determination of fair value :

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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Notes to the Standalone Financial Statements

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair value measurement under Ind AS 113 are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 Inputs

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 Inputs

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data for substantially the full term of the asset or liability.

Level 3 Inputs

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.17 Investment in subsidiaries and associates:

Investment in subsidiaries and associates are recognized at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period if there are any indications of impairment on such investments. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

3.18 Retirement and other employee benefits:

3.18.1 Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognized in the period in which the employee renders the related service.

3.18.2 Post-employment employee benefits:

(i) Defined benefit plans

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized 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 recognized 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, attrition 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.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Company, into an entity, or fund from which the employee benefits are paid. The Company is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Company.



Notes to the Standalone Financial Statements

(ii) Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company contributes into following schemes under defined contribution plans:

Superannuation

Defined contribution to superannuation fund is made as per the scheme of the Company.

Provident fund

Each eligible employee and the Company make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Company recognises contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Company has no further obligations under the plan beyond its periodic contributions.

Employees state insurance

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(iii) Compensated absences

Privilege leave entitlements are recognized as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognized using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

Remeasurements on defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

3.19 Share based payments

The Company carries out fair value cost assessment of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Company is recognized as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest because of non fulfillment of service conditions. Service conditions are not taken into account while determining the grant date fair value of options, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest

3.20 Leases :

The Company's leases primarily consists of leases for Building and office premises .The company assesses whether a contract contains a lease , at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from the use of the asset through out the period of lease and (iii) the company has the right to direct the use of asset.

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease.



Notes to the Standalone Financial Statements

3.21 Earnings per share :

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.22 Impairment of non-financial assets :

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

3.23 Provisions and other contingent liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

3.24 Income tax expenses :

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.25.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The company has opted for lower rate of tax under section 115BAA @ 22% plus surcharge of 10% and cess of 4% . Effective tax rate being 25.17%.

3.25.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.25.3 Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Company has opted for lower tax rate under section 115BAA and hence MAT is not applicable.

3.25.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.26 Goods and Service tax input credit :

Goods and Services tax input credit is accounted for in the books for the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.



Notes to the Standalone Financial Statements

3.27 Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

3.28 Property, plant and Equipment :

Recognition and measurement

Property, plant and equipment (PPE) is recognized when it is probable that the future economic benefits associated with it will flow to the company and the cost can be measured reliably.

PPE are stated at cost 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. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company	Useful life as per schedule II of the Companies Act, 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Software and other intangibles	5 years	6 years

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

3.29 Intangible assets :

Recognition and measurement:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Amortisation

Intangible assets are amortised using the straight line method over a period of 5 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

3.30 Foreign currency translation :

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss or Other Comprehensive Income as permitted under the relevant Ind AS.



Notes to the Standalone Financial Statements

4. Critical accounting judgement and key source of estimates uncertainties

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. 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 years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business model assessment :

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

- (i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- (ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed.
- (iii) The expected frequency, value and timing of sales are also essential aspects of the Company's assessment.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the previous period.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

4.2 Effective Interest Rate (EIR) Method :

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

4.3 Impairment of Financial assets :

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of correlation between macroeconomic scenarios and, economic inputs, such as GDP levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 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 exist, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.5 Fair value of financial instruments :

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.



Protium Finance Limited

Notes to the Standalone Financial Statements

4.6 Provisions, contingent liabilities and contingent assets :

Provisions are recognized when

- i. Company has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

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

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets :

Contingent assets are not recognized in the financial statements. Contingent asset are disclosed where an inflow of economic benefits is probable.

4.7 Provisions for Income Taxes :

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

4.8 Standards notified but not yet effective :

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

(i) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.



Notes to the Standalone Financial Statements

4.9 Recent accounting pronouncements

The Group has applied certain new standards and amendments for the first time, which are effective for annual periods beginning on or after April 01, 2025. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

(a) Lack of Exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs has notified amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, which specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. These amendments also require disclosure of information that enables users of the financial statements to understand how a currency not being exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 21 does not have a material impact on the Group's Restated Consolidated Summary Statements.

(b) Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants – Amendments to Ind AS 1

The Ministry of Corporate Affairs has notified amendments to paragraphs 69 to 76 of Ind AS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- i) What is meant by a right to defer settlement;
- ii) That a right to defer must exist at the end of the reporting period;
- iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees after the reporting period but before the financial statements are approved for issue not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 1 does not have a material impact on the Group's Restated Consolidated Summary Statements.

(iii) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

The Ministry of Corporate Affairs has notified amendments to Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, to clarify the characteristics of supplier finance arrangements and require additional disclosures regarding such arrangements. These disclosure requirements are intended to assist users of the financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 7 and Ind AS 107 does not have a material impact on the Group's Restated Consolidated Summary Statements.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

The Ministry of Corporate Affairs has notified amendments to Ind AS 12, Income Taxes, in response to the OECD's BEPS Pillar Two rules. These amendments include:

- i) A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- ii) Additional disclosure requirements to help users of the financial statements understand an entity's exposure to Pillar Two income taxes arising from the legislation, particularly prior to its effective date.
- iii) The mandatory temporary exception applies immediately and must be disclosed. The remaining disclosure requirements apply for annual reporting periods beginning on or after April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 12 does not have a material impact on the Group's Restated financial Summary Statements.



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "5"

Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	-	-
Balance with banks	-	-
Current accounts	37,271.14	28,250.28
Bank deposits with original maturity of less than or equal to three months	12,560.35	55,782.95
Total	49,831.49	84,033.23

Note "6"

Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months	20,117.69	41,955.83
Total	20,117.69	41,955.83

Note: Bank deposits include deposits under lien aggregating to Rs. 1,801.43 lakhs (March 31, 2025: Rs. 4,091.10 lakhs) in respect of liabilities arising from securitisation transactions, and Rs. 11,516.53 lakhs (March 31, 2025: Rs. 2,001.13 lakhs) in respect of liabilities arising from overdraft facilities.

Note "7"

Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	560.72	409.89
Receivables which have significant increase in credit risk	43.30	43.30
Receivables - credit impaired	-	-
Total	604.02	453.19
Less: Impairment loss allowance	(95.22)	(38.13)
Total	508.80	415.06

Trade receivables ageing :

As at March 31, 2026

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	-	-	-	-	-	-	-
Receivables considered good - Unsecured	36.08	419.82	74.00	30.82	-	-	560.72
Receivables which have significant increase in credit risk	-	-	-	-	43.30	-	43.30
Receivables - credit impaired	-	-	-	-	-	-	-
Total	36.08	419.82	74.00	30.82	43.30	-	604.02
Less: Impairment loss allowance							(95.22)
Total							508.80

As at March 31, 2025

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	-	-	-	-	-	-	-
Receivables considered good - Unsecured	100.86	268.55	9.67	-	-	-	379.08
Receivables which have significant increase in credit risk	-	30.82	-	43.30	-	-	74.11
Receivables - credit impaired	-	-	-	-	-	-	-
Total	100.86	299.37	9.67	43.30	-	-	453.19
Less: Impairment loss allowance							(38.13)
Total							415.06

7.1 No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7.2 No trade receivables are due from related parties.

7.3 Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

7.4 All the receivables due from the debtors are within the credit period.

7.5 The receivable is 'unbilled' because the Company has not yet issued an invoice. However, the balance has been included under trade receivables (as opposed to contract assets) because the Company has an unconditional right to consideration.

7.6 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "8"

Particulars	As at	
	March 31, 2026	March 31, 2025
(A) Loan portfolio		
at amortised cost		
(i) Term loans	3,74,455.93	3,43,731.63
(ii) Loans and advances to related parties	200.74	361.95
at fair value through OCI		
(i) Term loans	1,49,381.62	89,690.08
Total gross loans	5,24,038.29	4,33,783.66
Less : Impairment loss allowance		
at amortised cost	(10,128.21)	(9,058.98)
at fair value through OCI	(1,148.19)	(500.47)
Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total net loans	5,12,761.89	4,24,224.21
(B) Of the above		
(i) Secured against land, building & machinery	3,85,395.12	2,82,136.35
(ii) Unsecured	1,38,643.17	1,51,647.31
Total gross loans	5,24,038.29	4,33,783.66
Less : Impairment loss allowance		
(i) Secured against land, building & machinery	(4,967.92)	(3,536.41)
(ii) Unsecured	(6,308.48)	(6,023.04)
Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total net loans	5,12,761.89	4,24,224.21
(C) Of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	5,24,038.29	4,33,783.66
Total gross loans	5,24,038.29	4,33,783.66
Less : Impairment loss allowance		
(i) Public Sector	-	-
(ii) Others	(11,276.40)	(9,559.45)
Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total net loans (a)	5,12,761.89	4,24,224.21
Loans outside India (b)	-	-
Total net loans (a) + (b)	5,12,761.89	4,24,224.21

Refer to note 43 for stagewise movement of loans and ECL.

8.1 Collateral :

Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:

- Equitable / registered mortgage of property.
- Undertaking to create a security.

8.2 The Company has provided no loans in current year to promoters, directors, KMPs and the related parties other than as mentioned in RPT (refer - Note no. 46)

8.3 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU) amounting to Rs. 81,263.09 Lakhs (March 31, 2025 Rs. 59,790.64 lakhs). Secured loans include machinery loans amounting to Rs. 22,347.27 lakhs, which are covered under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme.

8.4 There were no loans given against the collateral of gold jewellery & hence the percentage of such loans to the total outstanding assets (as at March 31, 2025 is Nil).

8.5 In accordance with its accounting policy for business model assessment, the Company has designated certain loans originated from October 1, 2024 at fair value through other comprehensive income ("FVOCI"), which will be held within a business model whose objective will be achieved by both holding these loans to collect contractual cashflows and to sell.

8.6 The Company has not lent any loans during the year ended March 31, 2026 and year ended March 31, 2025 for project finance activities nor has any outstanding balance as at March 31, 2026 and March 31, 2025.

8.7 The Company has not provided any non fund based credit facilities during the year ended March 31, 2026 and year ended March 31, 2025 nor has any outstanding balance as at March 31, 2026 and March 31, 2025.

8.8 Secured loans are hypothecated against land, building and plant & machinery.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "9"

Investments		
(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Debentures	20,752.45	11,537.38
Investment in Subsidiary	761.00	761.00
Investment in Government Securities	8,884.94	12,920.22
Investment in Mutual Funds	1,505.28	8,643.91
Investment in ULIP	103.18	99.26
Investment in Commercial Papers	-	10,347.62
Investment in Security Receipts	1,824.20	-
Others	-	-
Investment in PTC's	1,057.92	8,132.09
Gross total investments	34,888.97	52,441.48
Less: Impairment loss Allowance	(263.84)	(13.73)
Net total investments	34,625.13	52,427.75

Refer note 52

Investments

As at March 31, 2026

Particulars		At Fair Value				(₹ in lakhs)	
Particulars	At Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal	At cost	Total
Investment in Debentures	20,752.45	-	-	-	-	-	20,752.45
Investment in Commercial Papers	-	-	-	-	-	-	-
Investment in Pass Through Certificates	1,057.92	-	-	-	-	-	1,057.92
Investment in Subsidiaries*	-	-	-	-	-	760.00	760.00
- Protium Business Services Private Limited (76,00,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	-	-
- Shibui Technologies Private Limited (10,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	1.00	1.00
Investment in Government Securities	8,884.94	-	-	-	-	-	8,884.94
Investment in Mutual Funds	-	-	-	1,505.28	1,505.28	-	1,505.28
Investment in Security Receipts	-	-	-	-	-	-	-
89,236 Security receipts under ASREC PS 01/2025-26 at face value Rs. 1,000/- each	908.32	-	-	-	-	-	908.32
91,588 Security receipts under ASREC PS 03/2025-26 at face value Rs. 1,000/- each	915.88	-	-	-	-	-	915.88
Investment in ULIP	-	-	-	103.18	103.18	-	103.18
Total (A)	32,519.51	-	-	1,608.46	1,608.46	761.00	34,888.97
Investment outside India	-	-	-	-	-	-	-
Investment in India	32,519.51	-	-	1,608.46	1,608.46	3,216.92	34,888.97
Total (B)	32,519.51	-	-	1,608.46	1,608.46	3,216.92	34,888.97
Less: Impairment loss Allowance (C)	(263.84)	-	-	-	-	-	(263.84)
Total (D= A-C)	32,255.67	-	-	1,608.46	1,608.46	761.00	34,625.13

As at March 31, 2025

Particulars		At Fair Value				(₹ in lakhs)	
Particulars	At Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal	At cost	Total
Investment in Debentures	11,537.38	-	-	-	-	-	11,537.38
Investment in Commercial Papers	10,347.62	-	-	-	-	-	10,347.62
Investment in Pass Through Certificates	8,132.09	-	-	-	-	-	8,132.09
Investment in Subsidiaries*	-	-	-	-	-	760.00	760.00
- Protium Business Services Private Limited (76,00,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	-	-
- Shibui Technologies Private Limited (10,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	1.00	1.00
Investment in Government Securities	12,920.22	-	-	-	-	-	12,920.22
Investment in Mutual Funds	-	-	8,643.91	-	8,643.91	-	8,643.91
Investment in ULIP	-	-	99.26	-	99.26	-	99.26
Total (A)	42,937.31	-	8,743.17	-	8,743.17	761.00	52,441.48
Investment outside India	-	-	-	-	-	-	-
Investment in India	42,937.31	-	8,743.17	-	8,743.17	17,486.34	52,441.48
Total (B)	42,937.31	-	8,743.17	-	8,743.17	17,486.34	52,441.48
Less: Impairment loss Allowance (C)	(13.73)	-	-	-	-	-	(13.73)
Total (D = A-C)	42,923.58	-	8,743.17	-	8,743.17	761.00	52,427.75

*The Company has accounted for its investments in subsidiary at cost less impairment loss (if any).



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9.1.1 Stagewise breakup of investments

(₹ in lakhs)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage - 1	Stage - 2	Stage - 3	Total	Stage - 1	Stage - 2	Stage - 3	Total
Investment in Debentures	20,752.45	-	-	20,752.45	11,537.38	-	-	11,537.38
Investment in Subsidiary	761.00	-	-	761.00	761.00	-	-	761.00
Investment in Government Securities	8,884.94	-	-	8,884.94	12,920.22	-	-	12,920.22
Investment in Mutual Funds	1,505.28	-	-	1,505.28	8,643.91	-	-	8,643.91
Investment in ULIP	103.18	-	-	103.18	99.26	-	-	99.26
Investment in Commercial Papers	-	-	-	-	10,347.62	-	-	10,347.62
Investment in Security Receipts	-	-	1,824.20	1,824.20	-	-	-	-
Investment in PTC's	1,057.92	-	-	1,057.92	8,132.09	-	-	8,132.09
Total	33,064.77	-	1,824.20	34,888.97	52,441.48	-	-	52,441.48

9.1.2 Stagewise breakup of ECL on investments

(₹ in lakhs)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage - 1	Stage - 2	Stage - 3	Total	Stage - 1	Stage - 2	Stage - 3	Total
Investment in Debentures	21.41	-	-	21.41	3.73	-	-	3.73
Investment in Subsidiary	-	-	-	-	-	-	-	-
Investment in Government Securities	-	-	-	-	2.90	-	-	2.90
Investment in Mutual Funds	-	-	-	-	-	-	-	-
Investment in ULIP	-	-	-	-	-	-	-	-
Investment in Commercial Papers	-	-	-	-	-	-	-	-
Investment in Security Receipts	-	-	241.98	241.98	-	-	-	-
Investment in PTC's	0.45	-	-	0.45	7.10	-	-	7.10
Total	21.86	-	241.98	263.84	13.73	-	-	13.73

9.2 Details of subsidiaries

a. Protium Business Services Private Limited ("PBS") - PBS is primarily engaged in the business of sourcing and origination of leads for lending opportunities to consumer or business lending. The Company was granted a certificate of registration to act as Corporate Agent (Composite) under sub-section (1) of section 42D of the Insurance Act, 1938 by the Insurance Regulatory and Development Authority of India on January 25, 2024. It is wholly owned subsidiary of the Company. The company has its registered office at Nirlon Knowledge Park (NKP) B2, 7th Floor, Pahadi Village, Off. Western Express Highway, Goregaon (E), Mumbai, Maharashtra, India, 400063.

b. Shibul Technologies Private Limited ("STPL") - STPL is primarily engaged in the business of providing Information Technology related solutions. It is wholly owned subsidiary of the Company. The Company has its registered office at 244, 2B, 2nd Floor, Fortune Summit, Roopena Agrahara, Hosur Road, Begur, Bangalore-560068, Karnataka.

Note "10"

Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	943.38	732.14
Receivable from assigned and colent portfolio*	41,969.33	33,927.46
Other receivable***	6,099.09	1,524.99
Total	49,011.80	36,184.59
Less: Impairment loss allowance**	(476.83)	(327.44)
Total other financial assets	48,534.97	35,857.15

*With respect to assignment and co-lending deals, the Company has created an Excess Interest Spread (EIS) receivable with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value with necessary estimate and assumptions.

** Impairment loss allowance recognised on receivable from assigned and colent portfolio is Rs. 476.83 lakhs (Previous year: Rs. 327.44 lakhs)

*** Other Receivable includes receivable from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU).

Reconciliation of impairment loss allowance on other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Impairment loss allowance as at beginning of the year	327.44	129.39
Net increase/(decrease) during the year	149.39	198.05
Impairment loss allowance as at the end of the year	476.83	327.44

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "11"

Property, plant and equipment

As at March 31, 2026

Description	Gross Block				Depreciation				Net block	
	As at April 01, 2025	Additions	Disposal/ Adjustments	As at March 31, 2026	As at April 01, 2025	Depreciation for the year	Disposal/ Adjustments	As at March 31, 2026	As at April 01, 2025	As at March 31, 2026
Right of Use Assets	3,865.36	2,997.71	(96.97)	6,766.10	2,443.89	1,867.85	(77.17)	4,234.57	1,421.47	2,531.53
Leasehold Improvements	623.45	32.45	(7.35)	648.55	334.13	200.53	(4.57)	530.09	289.32	118.46
Furniture and fixtures	286.94	47.16	(1.32)	332.78	67.40	45.48	(0.64)	112.24	219.54	220.54
Office equipments	300.59	176.40	(1.90)	475.09	148.88	73.93	(1.44)	221.37	151.71	253.72
Computers	995.59	33.37	(4.00)	1,024.96	769.81	173.05	(3.77)	939.09	225.78	85.87
Total	6,071.93	3,287.09	(111.54)	9,247.48	3,764.11	2,360.84	(87.59)	6,037.36	2,307.82	3,210.12

As at March 31, 2025

Description	Gross Block				Depreciation				Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025
Right of Use Assets	2,930.41	945.52	(10.57)	3,865.36	1,015.16	1,438.94	(10.21)	2,443.89	1,915.23	1,421.47
Leasehold Improvements	582.95	41.50	(1.00)	623.45	148.33	186.30	(0.50)	334.13	434.62	289.32
Furniture and fixtures	247.05	40.77	(0.86)	286.94	36.35	31.52	(0.47)	67.40	210.69	219.54
Office equipments	241.63	69.56	(10.60)	300.59	119.44	38.97	(9.53)	148.88	122.19	151.71
Computers	1,146.48	188.86	(339.75)	995.59	687.65	272.51	(190.35)	769.81	458.83	225.78
Total	5,148.52	1,286.21	(362.80)	6,071.93	2,006.93	1,968.24	(211.06)	3,764.11	3,141.56	2,307.82

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. In none of the title deed mentioned above promoter, director, or relative of promoter / director or employee of promoter / director is holder of title deed

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Protium Finance Limited

Notes to the Standalone Financial Statements
Note "12"

Intangible assets and intangible assets under development

A) Intangible assets
As at March 31, 2026

Description	Gross Block				Amortization				Net block	
	As at April 01, 2025	Additions	Disposal/ Adjustments	As at March 31, 2026	As at April 01, 2025	Amortization for the year	Disposal/ Adjustments	As at March 31, 2026	As at April 01, 2025	As at March 31, 2026
Softwares	6,751.94	590.91	(1.34)	7,341.51	3,544.79	1,137.49	-	4,682.28	3,207.15	2,659.23
Total	6,751.94	590.91	(1.34)	7,341.51	3,544.79	1,137.49	-	4,682.28	3,207.15	2,659.23

As at March 31, 2025

Description	Gross Block				Amortization				Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Amortization for the year	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025
Softwares	5,613.77	1,145.72	(7.55)	6,751.94	2,343.23	1,208.20	(6.64)	3,544.79	3,270.54	3,207.15
Total	5,613.77	1,145.72	(7.55)	6,751.94	2,343.23	1,208.20	(6.64)	3,544.79	3,270.54	3,207.15

B) Intangible assets under development

Description	As at March 31,	
	2026	2025
Intangible assets under development	118.09	87.55
Total	118.09	87.55

Schedule of ageing of completion of intangible assets under development :

As at March 31, 2026					
(i) Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in process	43.86	74.23	-	-	118.09

As at March 31, 2025					
(i) Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in process	87.55	-	-	-	87.55

Note: There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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Notes to the Standalone Financial Statements

Note "13"

Other non-financial assets			(₹ in lakhs)
Particulars	As at March 31, 2026	As at March 31, 2025	
GST input credit	1,846.63	2,547.13	
Prepaid expenses	2,103.86	905.71	
Salary advance	5.51	18.57	
Advances with vendors	24.51	374.70	
Others	112.10	465.45	
Total	4,092.61	4,311.56	

Note "14"

Derivative financial instruments :

As at March 31, 2026			(₹ in lakhs)
Particulars	Notional amounts	Fair value assets	
Cash flow hedge			
Cross currency interest rate swaps	57,193.40	7,261.25	
Foreign currency forward contract	44,100.00	2,334.17	

As at March 31, 2025			(₹ in lakhs)
Particulars	Notional amounts	Fair value assets	
Cash flow hedge			
Cross currency interest rate swaps	48,591.90	41.52	
Foreign currency forward contract	28,500.00	-	

Note : The Company has board approved policy for entering into derivative transactions.

Derivatives transactions comprise of cross currency interest rate swap and forward contract entered by the Company to hedge foreign currency borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer material accounting policy for derivative financial instruments.

Note "15"

Trade payables			(₹ in lakhs)
Particulars	As at March 31, 2026	As at March 31, 2025	
Trade payables			
Total outstanding dues of micro and small enterprises	534.59	347.32	
Total outstanding dues of creditors other than micro and small enterprises	1,322.90	474.41	
Total	1,857.49	821.73	

Details of dues to micro, medium and small enterprises

- 1) The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Company. This has been relied upon by the auditors.
- 2) There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2026 and March 31, 2025 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

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Notes to the Standalone Financial Statements

Disclosure pertaining to Micro and Small Enterprises are as under :

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	534.59	347.32
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	534.59	347.32

Trade Payables ageing schedule :

As at March 31, 2026

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	224.84	46.34	263.41	-	-	534.59
(ii) Others	655.29	348.30	316.00	3.31	-	1,322.90
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	880.13	394.64	579.41	3.31	-	1,857.49

As at March 31, 2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.35	306.97	-	-	-	347.32
(ii) Others	47.54	424.25	2.62	-	-	474.41
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	87.89	731.22	2.62	-	-	821.73

There are no dues payable to related party.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "16"

Debt securities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
A) At amortised cost		
(i) Secured		
Listed redeemable non convertible debentures	-	2,517.94
(ii) Unsecured	-	-
Total	-	2,517.94
B) Out of above		
Debt securities in India	-	2,517.94
Debt securities outside India	-	-
Total	-	2,517.94

Terms of repayment of Non Convertible Debentures (NCDs)

As at March 31, 2025

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2025 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
9.79%p.a.p.m.Protium Finance Limited	1.00	17-04-2023	2,517.94	9.79%	25-04-2025	Annual

*Balances as at March 31, 2025 is after considering the impact of unamortised processing fees Rs. 0.65 Lakhs

Nature of security :- Debentures are secured by hypothecation of specified term loan receivables

Refer Note 43 for disclosure pertaining to maturity analysis.

Note "17"

Borrowings (Other than debt securities)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised cost		
(a) Term loans		
(i) From banks	2,57,637.97	2,43,383.99
(ii) From other parties	51,870.31	82,409.05
(b) External commercial borrowings	64,814.00	49,976.56
(c) Loans repayable on demand		
Bank overdraft	10,902.44	1,900.03
Total (a + b + c)	3,85,224.72	3,77,669.63
Borrowings in India	3,20,410.72	3,27,693.07
Borrowings outside India	64,814.00	49,976.56
Total	3,85,224.72	3,77,669.63
Secured borrowings	3,85,224.72	3,77,669.63
Unsecured borrowings	-	-
Total	3,85,224.72	3,77,669.63

Notes :

- The company has availed of the facilities (secured borrowings) from the lenders and these loans are secured by an exclusive first charge by way of hypothecation of identified books debts and receivables.
- Quarterly returns or statements of book debts and receivables filed by the company with banks, financial institutions and trustee are in agreement with the book of accounts.

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Note 17(a)(i) Term loan from bank : Secured

As at March 31, 2026

(₹ in lakhs)

As at March 31, 2020

Repayment Term	Interest range	Residual tenure	Amount
Monthly	7.94% - 9.25%	Upto 1 Year	4,060.98
		1 to 3 Years	13,351.45
		3 to 5 Years	19,940.48
		5 to 7 Years	-
Quarterly	7.09% - 10%	Upto 1 Year	5,464.46
		1 to 3 Years	52,265.97
		3 to 5 Years	1,39,316.36
		5 to 7 Years	25,000.00
Add: Interest accrued			62.10
Less: EIR impact			(1,823.83)
Total			2,57,637.97

As at March 31, 2025

(₹ in lakhs)

As at March 31, 2023			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.14% - 11%	Upto 1 Year	5,373.48
		1 to 3 Years	34,081.95
		3 to 5 Years	21,904.99
		5 to 7 Years	23,511.90
Quarterly	8.09% - 11.00%	Upto 1 Year	5,080.16
		1 to 3 Years	55,745.57
		3 to 5 Years	79,728.86
		5 to 7 Years	19,584.00
Add: Interest accrued			332.75
Less: EIR impact			(1,959.67)
Total			2,43,383.99

Nature of security

Term loan from bank is secured by hypothecation of specified term loan receivables



Notes to the Standalone Financial Statements

Note 17(a)(ii) Secured term loan from other parties

a) Term loan from financial institutions : Secured

As at March 31, 2026 (₹ in lakhs)

As at March 31, 2020			(in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.75% - 9.40%*	1 to 3 Years	13,313.33
Quarterly	8.80% - 9.90%	Upto 1 Year	1,250.00
		1 to 3 Years	4,815.89
		3 to 5 Years	28,098.03
Add: Interest accrued			84.50
Less: EIR impact			(66.85)
Total			47,494.90

As at March 31, 2025 (₹ in lakhs)

As at March 31, 2023			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.50% - 10.40%*	Upto 1 Year	2,720.91
		1 to 3 Years	14,375.00
Quarterly	9.60% - 9.90%	1 to 3 Years	14,249.64
		3 to 5 Years	33,498.78
Add: Interest accrued			108.07
Less: EIR impact			(55.85)
Total			64,896.55

Nature of security

Term Loan from financial institutions is secured by hypothecation of specified term loan receivables

b) Term Loans - PTC : Secured

As at March 31, 2026 (₹ in lakhs)

As at March 31, 2020		(in lakhs)	
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.30% - 9.10%*	Upto 1 Year	
		1 to 3 Years	899.02
		3 to 5 Years	-
		5 to 7 Years	61.84
		7 to 10 Years	2,953.96
		10 to 12 Years	466.51
Add: Interest accrued			19.10
Less: EIR impact			(25.02)
Total			4,375.41



Notes to the Standalone Financial Statements

As at March 31, 2025

(₹ in lakhs)

As at March 31, 2023		(in lakhs)	
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.50% - 9.25%*	Upto 1 Year	237.87
		1 to 3 Years	4,676.60
		3 to 5 Years	1,063.10
		5 to 7 Years	-
		7 to 10 Years	7,422.16
		10 to 12 Years	4,143.47
Add: Interest accrued			71.19
Less: EIR impact			(101.89)
Total			17,512.50

* Pertains to liabilities arising out of securitizations

Nature of security

PTC is secured by hypothecation of specified term loan receivables, FDs as well as Other receivable

Note 17(b) External commercial borrowings : Secured

As at March 31, 2026

(₹ in lakhs)

As at March 31, 2020			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet and Annually	9.03% - 10.14%	Upto 1 Year	31,235.92
		3 to 5 Years	33,129.01
Add: Interest accrued			740.50
Less: EIR impact			(291.43)
Total			64,814.00

As at March 31, 2025

(₹ in lakhs)

AS at March 31, 2023			(in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet and Annually	9.52% - 10.14%	1 to 3 years	28,241.86
		3 to 5 Years	21,395.35
Add: Interest accrued			733.80
Less: EIR impact			(394.45)
Total			49,976.56

Nature of security

ECB is secured by hypothecation of specified term loan receivables



Notes to the Standalone Financial Statements

Note 17(c) Bank overdraft : Secured

As at March 31, 2026

(₹ in lakhs)

Repayment Term	Interest range	Residual tenure on balance sheet date	Amount
Bullet	7.25%	upto 1 year	10,900.00
Add: Interest accrued			3.12
Less: EIR impact			(0.68)
Total			10,902.44

As at March 31, 2025

(₹ in lakhs)

Repayment Term	Interest range	Residual tenure on balance sheet date	Amount
Bullet	6.25%	Upto 1 Year	1,900.03
Add: Interest accrued			-
Less: EIR impact			-
Total			1,900.03

Nature of security

Bank overdraft is secured by hypothecation of specified term loan receivables.

Breach of Security

There is no breach of covenant of loan availed or debt securities issued.

The Company has not defaulted in repayments of borrowings (other than Debt securities) and interest thereon for the year ended March 31,2026 and March 31,2025.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "18"

Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note no.45)	2,691.66	1,514.41
Accrued expenses	3,974.66	4,116.95
Payable towards assigned and colent portfolio	11,799.65	4,840.28
Other payables	4,160.07	316.58
Total	22,626.04	10,788.22

Note "19"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity	768.90	486.79
Compensated absences	90.38	55.00
Total	859.28	541.79

Note "20"

Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset	(3,198.88)	(2,822.17)
Deferred tax liabilities	11,692.88	9,432.85
Deferred tax liabilities net (refer note no. 34)	8,493.99	6,610.68

Note "21"

Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory liabilities	1,133.36	1,080.94
Advance from customers	897.24	2,762.18
Total	2,030.60	3,843.12

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "22"

Equity share capital

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorized share capital				
Equity shares of ₹ 10 each	15,60,09,300	15,600.93	15,60,09,300	15,600.93
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	14,60,49,568	14,604.96	14,56,92,141	14,569.21
Total	14,60,49,568	14,604.96	14,56,92,141	14,569.21

(a)(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity shares				
At the commencement of the year	14,56,92,141	14,569.21	14,51,42,330	14,514.23
Issued during the year	3,57,427	35.75	5,49,811	54.98
At the end of the year	14,60,49,568	14,604.96	14,56,92,141	14,569.21

(b) Rights, preferences and restrictions attached to equity shares

The Company has single class equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Upon show of hands, every member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Consilience Capital Management	14,41,44,759	14,414.48	14,41,44,759	14,414.48

(d) Details of shareholder(s) holding more than 5% of equity shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Consilience Capital Management	14,41,44,759	98.70%	14,41,44,759	98.94%

(e) There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during the year ended March 31, 2026 and March 31, 2025.

(f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment during the year ended March 31, 2026 and March 31, 2025.

(g) Equity shares held by promoters

Shares held by promoters at the end of the year		As at March 31, 2026		As at March 31, 2025	
S. No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares
1	Consilience Capital Management	14,41,44,759	98.70%	14,41,44,759	98.94%



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "23"

Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium account ¹	1,99,700.52	1,98,929.53
Share based payment reserve ²	1,005.35	935.22
Statutory reserve (created under Section 45-IC of the RBI Act, 1934) ³	10,746.30	7,275.63
Retained earnings ⁴	39,460.49	25,678.32
General reserve ⁵	53.99	38.17
Cash flow hedge reserve ⁶	(409.32)	(918.13)
Total	2,50,557.33	2,31,938.74

1) Securities premium

Share premium is credited when shares are issued at premium and with the fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme. Share premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under the Companies Act, 2013.

2) Share based payment reserve

Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the company.

3) Statutory reserve (created under Section 45-IC of the RBI Act, 1934)

Statutory reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934.

4) Retained earnings

Retained earnings represents the surplus in profit and loss account and net amount of appropriations made to/from retained earnings. The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

5) General reserve

The reserve can be distributed/utilized by the Company, in accordance with The Companies Act, 2015.

6) Cash flow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI and underlying hedged items.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "24"

Interest Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial assets measured at amortized cost		
Interest income on loans	62,538.75	55,705.77
Interest income from investments	2,524.87	2,367.06
Interest on fixed deposits with banks	4,070.86	7,168.17
On financial assets measured at fair value through OCI		
Interest income on loans	18,610.87	3,904.52
Total	87,745.35	69,145.52

Note "25"

Fees and commission income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and commission income	4,772.41	3,979.19
Total	4,772.41	3,979.19

25.1 Geographical markets

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	4,772.41	3,979.19
Outside India	-	-
Total	4,772.41	3,979.19

25.2 Timing of revenue recognition

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Services transferred at a point in time	4,772.41	3,979.19
Services transferred over time	-	-
Total	4,772.41	3,979.19

25.3 Reconciliation of revenue recognised with contract price

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contract with customers	4,772.41	3,979.19
Adjustments	-	-
Total	4,772.41	3,979.19

25.4 Contract balances

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables	36.08	100.86
Total	36.08	100.86



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "26"

Net gain/(loss) on fair value changes

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	877.31	533.12
Fair value changes:		
- Realised	867.69	386.08
- Unrealised	9.62	147.04
Total	877.31	533.12

Note "27"

Net gain on derecognition of financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on derecognition of financial instruments under:		
Amortised cost	11,298.77	22,038.68
Fair value through other comprehensive income	14,864.34	3,352.64
Total	26,163.11	25,391.32

Note "28"

Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income from support services	1,203.81	1,413.34
Gain on sale / scrap of fixed assets	1.82	-
Others*	323.78	653.26
Total	1,529.41	2,066.60

*Includes interest on income tax refund, interest income on security deposit etc.

Note "29"

Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial liabilities measured at amortized cost		
Interest on borrowings other than debt securities	39,216.27	29,601.69
Interest on debt securities	16.77	550.14
Interest on lease liabilities	325.44	203.48
Other finance cost	96.99	87.83
Total	39,655.47	30,443.14



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "30"

Impairment on financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments measured at amortized cost		
Impairment on financial assets	2,173.54	4,495.99
Loans written off	11,908.15	6,994.82
Loss on Foreclosure of Loans	4,128.61	1,510.85
Total	18,210.30	13,001.66

Note "31"

Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	21,948.71	18,662.27
Contribution to and provision for:		
Provident and other funds	636.59	541.75
Gratuity fund (refer note no. 38)	200.56	123.75
Share based payment (refer note no. 39)	299.24	825.46
Staff welfare expenses	884.27	748.32
Total	23,969.37	20,901.55

Note "32"

Depreciation and amortisation

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	2,360.84	1,968.24
Amortisation of intangible assets	1,137.49	1,208.20
Total	3,498.33	3,176.44



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "33"

Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loan application processing cost	3,298.19	3,332.09
IT expenses	2,033.31	1,614.20
Collection Charges	1,606.63	743.05
Travelling and conveyance	1,333.91	1,196.31
Insurance	1,205.96	1,332.08
Legal and professional charges	984.07	752.52
Office Expenses	637.64	501.06
Director's fees, allowances, and expenses	188.57	186.57
Electricity charges	182.71	185.13
Printing and stationery	181.82	127.01
Auditor fees and expenses	175.43	147.04
Corporate Social Responsibility (refer note 40)	167.82	183.54
Business promotion expenses	163.29	227.34
Postage and courier	128.20	77.44
Communication Costs	56.45	59.70
Membership & Subscription	48.05	42.61
Repairs and maintenance	46.19	47.88
Other expenses	34.87	21.42
Bank Charges	29.55	63.23
Rent and maintenance	4.61	184.54
Brokerage & commission	3.20	2.42
Loss on sale / scrap of fixed assets	-	17.11
Total	12,510.47	11,044.29

Payment to auditors includes:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) For statutory audit	104.01	81.75
b) For limited review	37.95	32.70
c) For taxation matters	7.38	6.54
d) For other services (certificates)	26.09	21.80
e) For reimbursement of expenses	-	4.25
Total	175.43	147.04



34 Tax expenses

34.1 Reconciliation of total tax charge

(₹ in lakhs)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	4,144.34	2,762.41
Adjustment to tax relating to earlier periods	-	(329.78)
Deferred tax	1,745.98	3,015.37
Total income tax expenses recognised in the current year	5,890.32	5,448.00
Income tax expense recognised in other comprehensive income	(137.34)	320.59
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	23,243.65	22,548.66
Income tax rate	25.17%	25.17%
Income tax expense	5,850.43	5,675.50
Tax effect of:		
Effect of Ind AS adjustments (net)	(5,564.64)	(4,231.45)
Impairment of Loans	547.08	1,131.64
Expenses allowed under Income Tax Act, 1961	(1,076.61)	(1,509.51)
Disallowances under Income Tax Act, 1961	6,134.06	4,381.82
Income tax expense recognised in profit and loss	5,890.32	5,448.00

34.2 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in lakhs)				
As at March 31, 2026				
Particulars	Opening balances as on April 1, 2025	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2026
Deferred tax asset				
Impairment of financial instruments	2,501.58	514.04	-	3,015.63
Disallowances under section 43B of the Income Tax Act, 1961	20.58	-	33.81	54.39
Fair valuation of derivative financials instrument	300.00	-	(171.14)	128.86
Total Deferred tax asset	2,822.17	514.04	(137.34)	3,198.88
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(9,147.33)	(2,385.82)	-	(11,533.15)
Difference between books and tax written down value of fixed assets	(285.52)	125.79	-	(159.73)
Total deferred tax liabilities	(9,432.85)	(2,260.03)	-	(11,692.88)
Net deferred tax liabilities	(6,610.68)	(1,745.98)	(137.34)	(8,493.99)

(₹ in lakhs)				
As at March 31, 2025				
Particulars	Opening balances as on April 1, 2024	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2025
Deferred tax asset				
Impairment of financial instruments	1,369.95	1,131.63	-	2,501.58
Disallowances under section 43B of the Income Tax Act, 1961	67.52	(67.52)	20.58	20.58
Fair valuation of derivative financials instrument	8.82	(8.82)	300.00	300.00
Total Deferred tax asset	1,446.28	1,055.29	320.59	2,822.17
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(5,113.92)	(4,033.41)	-	(9,147.33)
Difference between books and tax written down value of fixed assets	(248.26)	(37.27)	-	(285.52)
Total deferred tax liabilities	(5,362.17)	(4,070.68)	-	(9,432.85)
Net deferred tax liabilities	(3,915.89)	(3,015.39)	320.59	(6,610.68)

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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "35"

Earnings per share ('EPS')

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

i. Profit attributable to Equity shareholders:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (loss) after tax as per Statement of Profit and Loss	17,353.33	17,100.66
Net profit attributable to equity shareholders for calculation of Basic EPS	17,353.33	17,100.66
Net profit adjusted for the effects of dilutive potential equity shares for calculation of Diluted EPS	17,353.33	17,100.66

ii. Weighted Average Number of Shares and Earnings per share (EPS)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	14,58,11,258	14,53,08,026
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	14,63,91,829	14,57,63,753
Face value per share	10	10
Effect of dilution :		
Employee stock options	5,80,570	4,55,727
Basic earnings per share (in ₹)	11.90	11.77
Diluted earnings per share (in ₹)	11.85	11.73

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Protium Finance Limited

Notes to the Standalone Financial Statements

36. Segment reporting

The Company operates in a single reportable operating segment of providing loans. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per Ind AS 108 on 'Segment Reporting'.

37. Contingent Liability & Commitment:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent Liability	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account	-	-
Undisbursed loan commitments	23,254.48	19,321.13

Note:

- There are no pending litigations (including tax matters) against the Company.
- The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions (if any) required under any law / accounting standard / RBI regulation for material foreseeable losses on such long-term contracts has been made in the books of account.

38. Employee Benefits:

In accordance with the terms of the Indian Accounting Standard 19 'Employee Benefits', the requisite disclosures are as follows:

i) Defined Contribution Plans:

The Company recognized charges of Rs 628.47 lakhs (March 31, 2025: Rs 534.60 lakh) for Provident fund contributions.

ii) Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Company is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Assumptions:		
Discount rate	7.14%	6.59%
Salary escalation rate	9.00%	5.00%
Rate of Employee Turnover	For service 4 years and below 40.00% p.a. & For service 5 years and above 2.00% p.a	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a
Actual :		
Present value of unfunded obligations (Rs in lakhs)	90.38	55.00
Expenses recognised in P&L (Rs in lakhs)	35.38	10.40

Discount rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.



Protium Finance Limited

Notes to the Standalone Financial Statements

iii) Defined Benefit Gratuity Plans:

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The Company recognized charges of INR 235.31 lakhs (March 31, 2025: INR 142.98 lakh) for Gratuity Fund. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Assumptions	As at March 31, 2026	As at March 31, 2025
Discount rate	7.14%	6.59%
Salary escalation rate	9.00%	5.00%
Rate of return on plan assets	NA	NA
Rate of Employee Turnover	For service 4 years and below 40.00% p.a. & For service 5 years and above 2.00% p.a	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Table showing change in the present value of projected benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Benefit obligation at the beginning of the year (Unfunded)	486.79	268.25
Interest cost	34.75	19.23
Current service cost	184.90	123.75
Past service cost	15.66	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	235.00	23.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	107.16	58.57
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(207.84)	-
Benefits paid	(87.52)	(6.22)
Present value of obligation as at the end of the year (Unfunded)	768.90	486.79

Amount recognized in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation at the end of the year	(768.90)	(486.79)
Fair value of plan assets at the end of the year	NA	NA
Funded Status Surplus/(Deficit)	(768.90)	(486.79)
Net (Liability)/Asset recognized in the Balance Sheet	(768.90)	(486.79)

Expenses recognized in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	184.90	123.75
Past service cost	15.66	-
Net Interest cost	34.75	19.23
Expenses recognized in the Statement of Profit and Loss	235.31	142.98



Protium Finance Limited

Notes to the Standalone Financial Statements

Expenses recognized in the Other comprehensive income (OCI)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial Losses on obligation for the year	134.32	81.77
Net (Income)/Expense for the year recognized in OCI	134.32	81.77

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening net liability	486.79	268.25
Expenses recognized in Statement of Profit and Loss	235.31	142.98
Expenses recognized in OCI	134.32	81.77
Benefits paid	(87.52)	(6.22)
Net liability recognized in the Balance Sheet	768.90	486.79

Cash Flow Projection

Maturity analysis of the benefit payments:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefits payable in future years from the date of reporting		
1st Following Year	11.01	17.55
2nd Following Year	14.89	28.74
3rd Following Year	17.58	38.79
4th Following Year	19.54	44.19
5th Following Year	21.21	45.81
Sum of Years 6 to 10	177.78	218.18
Sum of Years 11 and above	2,652.36	582.15

Sensitivity analysis

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefit obligation on current assumptions	768.90	486.79
Delta effect of +1% change in rate of discounting	(107.98)	(38.85)
Delta effect of -1% change in rate of discounting	133.02	44.89
Delta effect of +1% change in rate of salary increase	86.00	39.39
Delta effect of -1% change in rate of salary increase	(77.61)	(35.92)
Delta effect of +1% change in rate of employee turnover	(9.19)	(2.50)
Delta effect of -1% change in rate of employee turnover	9.01	1.72

Qualitative disclosures

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

New labour codes: The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes. The Company has assessed the impact of these Codes based on the information available.

Based on such assessment, the impact on Employee Benefit Expense for the year ended March 31, 2026 is ₹ 15.65 lakhs due to changes in the definition of wages under the new Labour Codes.



39 Employee stock option plan

In accordance with the resolution approved by the Shareholders on January 24, 2023, the Company has reserved share, for issue to employees through Protium Finance Employee Stock Option Plan I (ESOP Plan I). Under the terms of ESOP Plan I Company may issue stock option to the employees of the Company each of which is convertible into one equity share.

As on March 31, 2026

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15-Apr-23	166	13,97,335	-	1,87,416	2,80,707	-	9,29,212	5,96,217
15-May-23	166	7,00,320	-	87,681	76,720	-	5,35,919	2,13,385
1-Jan-25	166	81,324	-	30,120	-	-	51,204	25,602
1-Jan-25	480	8,74,632	-	2,72,042	-	-	6,02,590	1,60,451
31-Mar-25	480	41,667	-	-	-	-	41,667	10,417
Total		30,95,278	-	5,77,259	3,57,427	-	21,60,592	10,06,072

As on March 31, 2025

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15-Apr-23	166	20,18,072	-	1,20,482	5,00,255	-	13,97,335	3,08,816
15-May-23	166	9,22,274	-	1,72,398	49,556	-	7,00,320	1,49,955
1-Jan-25	166	-	81,324	-	-	-	81,324	-
1-Jan-25	480	-	8,74,632	-	-	-	8,74,632	-
31-Mar-25	480	-	41,667	-	-	-	41,667	-
Total		29,40,346	9,97,623	2,92,880	5,49,811	-	30,95,278	4,58,771

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:



Notes to the Standalone Financial Statements

Grant date	Employee Type	Risk Free interest rate	Expected life (In years)	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (Rs) *	Options granted	Fair value of options	Weighted average residual life in years	Vesting Conditions	Vesting period (In years)
15-Apr-23	A1	7.05%	3.75	25.00%	0%	166	12,04,820	51.35	0.79	Time Based & Performance Based	3.00
15-Apr-23	A2	7.05%	4.25	25.00%	0%	166	4,81,927	55.58	1.29		3.00
15-Apr-23	A3	7.07%	5.00	24.00%	0%	166	3,31,325	60.64	2.04		4.00
15-May-23	S1 specified employee	6.96%	4.10	25.00%	0%	166	66,264	54.04	1.22		3.00
15-May-23	S2 specified employee	6.96%	4.70	25.00%	0%	166	1,50,600	58.91	1.82		4.00
15-May-23	S3 specified employee	6.96%	5.50	24.00%	0%	166	1,29,516	63.95	2.62		5.00
15-May-23	S1 Others	6.96%	4.50	24.00%	0%	166	3,08,429	56.33	1.62		4.00
15-May-23	S2 Others	6.96%	5.00	24.00%	0%	166	2,57,225	60.22	2.12		4.00
15-May-23	S3 Others	6.96%	5.50	24.00%	0%	166	1,03,612	63.95	2.62	Performance Based	5.00
01-Jan-25	2025/S1/166	6.63%	4.13	42.83%	0%	166	81,324	106.71	2.88		2.75
01-Jan-25	2025/S2/480	6.65%	4.81	44.85%	0%	480	2,45,466	48.68	3.57		3.75
01-Jan-25	2025/A1/480	6.65%	4.81	44.85%	0%	480	6,29,166	48.68	3.57		3.75
31-Mar-25	2025/A2/480	6.37%	4.56	43.83%	0%	480	41,667	43.19	3.56		3.50

1. The weighted average fair value of options granted during the year - Not applicable (March 31, 2025: Rs 53.18).

2. For the year ended March 31, 2026, the Company has accounted expense of Rs 299.24 Lakhs as employee benefit expenses on the aforesaid employee stock option plan (March 31, 2025 Rs. 825.46 lakhs).

* Method of settlement - Equity settled ESOPs

3. The vesting of employee stock options is subject to time-based and/or performance-based, based on grant conditions. These conditions are applied as per the terms of individual grants.

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40. Expenditure towards corporate social responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

a. Gross amount required to be spent by the Company during the year – Rs. 167.82 lakhs (Previous Year Rs. 174.61 lakhs).

b. The details of amount spent in respective year towards CSR as follows:

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Construction/ acquisition of asset:		
Amount required to be spent by the company during the year	-	-
Shortfall of earlier year brought forward	-	-
Amount spent	-	-
Amount unpaid / provision/ Shortfall carried forward	-	-
On purpose other than above:		
Amount required to be spent by the company during the year	167.82	174.61
Excess of earlier year brought forward	8.92	-
Amount spent	159.00	183.54
Amount unpaid / provision/ Shortfall/ (Excess) carried forward	(0.10)	(8.92)

Notes:

1. The Company has contributed to various CSR initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. Contributions were made to CSR partners such as Cuddles Foundation, Akshara Foundation, Suryoday Foundation and Swadha Foundation. These partnerships focus on key areas such as healthcare, education, skill development and financial literacy. The Company has fully utilized the allocated CSR funds for the year. The excess amount of Rs 8.92 Lakhs of previous year has been set off in the current year.

2. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

3. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

41. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Maturity analysis of Asset & Liabilities

(a) The table below shows the maturity analysis of assets & liabilities according to when they are expected to be recovered or settled (₹ in lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and Cash Equivalents	49,831.49	-	49,831.49	84,033.23	-	84,033.23
Bank balances other than cash and cash equivalents	18,405.27	1,712.42	20,117.69	41,955.83	-	41,955.83
Derivative financial instrument	6,046.28	3,549.14	9,595.42	-	41.52	41.52
Trade Receivables	508.80	-	508.80	415.06	-	415.06
Loans	1,29,429.71	3,83,332.18	5,12,761.89	1,09,677.60	3,14,546.61	4,24,224.21
Investments	26,926.20	7,698.93	34,625.13	48,677.95	3,749.80	52,427.75
Other Financial assets	17,178.37	31,356.60	48,534.97	12,921.77	22,935.38	35,857.15
Sub total	2,48,326.12	4,27,649.27	6,75,975.39	2,97,681.44	3,41,273.31	6,38,954.75
Non-financial assets						
Current tax assets (Net)	-	198.96	198.96	-	432.23	432.23
Property Plant and Equipment	-	3,210.12	3,210.12	-	2,307.82	2,307.82
Intangible Assets under development	-	118.09	118.09	-	87.55	87.55
Intangible Assets	-	2,659.23	2,659.23	-	3,207.15	3,207.15
Other Non Financial assets	1,988.75	2,103.86	4,092.61	3,405.85	905.71	4,311.56
Sub total	1,988.75	8,290.26	10,279.01	3,405.85	6,940.46	10,346.31
Total assets	2,50,314.87	4,35,939.53	6,86,254.40	3,01,087.30	3,48,213.77	6,49,301.06
LIABILITIES						
Financial liabilities						
Trade Payables	1,857.49	-	1,857.49	821.73	-	821.73
Debt Securities	-	-	-	2,517.94	-	2,517.94
Borrowings (Other than Debt Securities)	1,52,039.92	2,33,184.80	3,85,224.72	1,20,828.86	2,56,840.77	3,77,669.63
Other financial liabilities	21,179.13	1,446.91	22,626.04	10,261.77	526.45	10,788.22
Sub total	1,75,076.54	2,34,631.71	4,09,708.25	1,34,430.30	2,57,367.22	3,91,797.52
Non-financial liabilities						
Provisions	21.62	837.66	859.28	27.14	514.65	541.79
Deferred Tax Liabilities (net)	-	8,493.99	8,493.99	-	6,610.68	6,610.68
Other non-financial liabilities	2,030.60	-	2,030.60	3,843.12	-	3,843.12
Sub total	2,052.22	9,331.65	11,383.87	3,870.26	7,125.33	10,995.59
Total liabilities	1,77,128.75	2,43,963.37	4,21,092.12	1,38,300.56	2,64,492.56	4,02,793.12



Protium Finance Limited

Notes to the Standalone Financial Statements

(b) Financing arrangement

The company had access to the following undrawn borrowing facilities at the end of reporting period

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Undrawn backup lines	55,700.00	39,300.00

(c) Carrying amount of collateral given

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalent	-	-
Bank balances other than cash equivalent*	1,806.93	6,092.23
Investments	-	-
Loan and advances	3,75,329.70	4,18,245.96

* Including interest accrued and reinvested accrued interest of Rs 42.32 lakhs.

(d) Financial assets are transferred but not derecognised in their entirety :

(i) Securitisation

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of assets	8,077.06	23,745.64
Carrying amount of associated Liabilities	4,381.33	17,543.20
Fair value of assets (A)	7,660.01	22,925.46
Fair value of associated Liabilities (B)	4,375.41	17,512.50
Net position at fair value(A-B)	3,284.60	5,412.96

(ii) Assignment and Collending

The Company has sold loans (measured at amortised cost and FVOCI) by way of direct bilateral assignment and collending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

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.

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Carrying amount of de-recognised financial asset	2,57,347.75	2,26,760.35
Carrying amount of retained asset at amortised cost	49,438.26	52,411.66
Net gain on sale of the de-recognised financial asset at amortised cost	11,298.77	22,038.68
Net gain on sale of the de-recognised financial asset at FVOCI	14,864.34	3,352.64

(e) During the year, the Company has acquired loan portfolio from another NBFC, for a consideration of Rs. 98,702.18 lakhs (March 2025: Rs. 35,101.40 lakhs), recognised in the following stages / asset classification as per Ind AS 109:

(₹ in lakhs)

Stage	FY 25-26	FY 24-25
Stage 1	98,702.18	34,909.78
Stage 2	-	149.19
Stage 3 (PoCI) *	-	42.43
Total	98,702.18	35,101.40

* Purchased or originated Credit Impaired Loans

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42. Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator - Reserve Bank of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Debt	3,85,224.72	3,80,187.57
Total equity	2,65,162.28	2,46,507.95
Debt to equity ratio (in times)	1.45	1.54

(ii) Regulatory capital

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Tier I capital	2,18,281.84	2,07,495.37
Tier II capital	3,936.11	1,261.10
Total capital	2,22,217.95	2,08,756.47
Total risk weighted assets	5,74,204.40	4,56,981.07
Tier I CRAR	38.01%	45.41%
Tier II CRAR	0.69%	0.28%
Total CRAR	38.70%	45.68%

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43. Risk Management framework

While risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The board of directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The risk committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The risk committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Company's risks are generally categorized in the following risk types:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Foreign currency risk

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Financial assets measured on a collective basis

The company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

Significant increase in credit risk

The company considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

Impairment assessment- Expected Credit Loss ("ECL")

The company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. Further, the borrower is retained in Stage 3 (credit-impaired) till all the overdue amounts are repaid i.e borrower becomes 0 days past due on its contractual payments.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Probability of default

PD is defined as "the probability of whether borrowers will default on their obligations in the future". Historical PD is derived from the internal data which is calibrated with forward-looking macroeconomic factors.

Loss given default

The credit risk assessment is based on a standardised LGD assessment framework that incorporates the probability of default and subsequent recoveries, discounted.

Current economic data and forward-looking economic forecasts and scenarios are used in order to determine the Ind AS 109 LGD rate. The company uses own historical data and combines such data with inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

Credit quality of assets

i) The table below shows credit quality and maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of Impairment loss allowance.

Sr No	Particulars	Count of loans	Loss Allowance measured at 12 month ECL (Stage 1)	Loss Allowance measured at life time ECL	
				Financial Assets for which credit risk has increased significantly and credit not impaired (Stage2)	Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)*
I	As on March 31, 2026				
	Estimated gross carrying amount at default				
	Accounts with no overdues	47,075.00	4,95,713.40	-	-
	Accounts with overdues	3,773.00	8,272.92	9,040.00	11,011.98
	Total gross carrying amount at default	50,848.00	5,03,986.32	9,040.00	11,011.98
	Expected credit Loss		(4,985.03)	(2,311.99)	(3,979.39)
	Carrying amount net of Impairment Provision		4,99,001.29	6,728.01	7,032.58
II	As on March 31, 2025				
	Estimated gross carrying amount at default				
	Accounts with no overdues	56,100.00	4,05,399.38	-	-
	Accounts with overdues	7,318.00	9,311.30	8,631.01	10,441.97
	Total gross carrying amount at default	63,418.00	4,14,710.68	8,631.01	10,441.97
	Expected credit Loss		(3,349.26)	(2,243.64)	(3,966.55)
	Carrying amount net of Impairment Provision		4,11,361.42	6,387.37	6,475.42

*Stage-3 loans do not include loans of Rs. 1,203.49 lakhs where DPD as on March 31, 2026 was less than 90 but considered as NPA as per the extant RBI guidelines.



43. Risk management framework (continued)

ii) An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans is as under:

Stagewise loan movement						(₹ in lakhs)
Sr No	Particulars	Stage 1	Stage 2	Stage 3*	PoCI*	Total
I	Gross Carrying amount balance as at April 01, 2024	3,19,964.57	3,516.39	5,408.23	-	3,28,889.19
	New Loans originated during the year	5,07,496.98	149.46	-	42.43	5,07,688.87
	Transfers to Stage 1	635.37	(96.68)	(538.70)	-	-
	Transfers to Stage 2	(11,542.49)	11,564.47	(21.99)	-	0.00
	Transfers to Stage 3	(16,425.27)	(2,489.18)	18,914.45	-	-
	Loans derecognised / transfer of loans to SR during the year	(2,26,760.35)	-	-	-	(2,26,760.35)
	Written offs	-	-	(10,661.25)	(42.43)	(10,703.68)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(1,58,700.58)	(4,013.45)	(2,616.34)	-	(1,65,330.37)
II	Gross Carrying amount balance as at March 31, 2025	4,14,668.25	8,631.01	10,484.41	-	4,33,783.66
	New Loans originated during the year	5,69,746.41	-	-	-	5,69,746.41
	Transfers to Stage 1	1,990.73	(1,416.15)	(574.58)	-	(0.00)
	Transfers to Stage 2	(10,529.85)	10,626.81	(96.96)	-	-
	Transfers to Stage 3	(18,225.95)	(4,902.33)	23,128.28	-	-
	Loans derecognised / transfer of loans to SR during the year	(2,57,348.51)	(639.76)	(5,426.99)	-	(2,63,415.26)
	Written offs	-	-	(16,307.46)	-	(16,307.46)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(1,96,314.73)	(3,259.61)	(194.72)	-	(1,99,769.06)
III	Gross Carrying amount balance as at March 31, 2026	5,03,986.35	9,039.97	11,011.98	-	5,24,038.29

No. of loan accounts with principal and / or interest overdue (including loans classified as Significant Increase in Credit Risk (SICR) and credit impaired) as at March 31, 2026 is (1,170 -stage 1) as at March 31, 2025 (1,811- stage 1) , as at March 31, 2026 (1,244 -stage 2), as at March 31, 2025 (2,120- stage 2) and as at March 31, 2026 (1,359 -stage 3), as at March 31, 2025 (3,387- stage 3). Loans that are more than 90 days past due as at the reporting date are classified as stage 3.

*Stage-3 loans do not include loans of Rs.1203.49 lakhs where DPD as on March 31, 2026 was less than 90 but considered as NPA as per the extant RBI guidelines.

Stagewise ECL movement						(₹ in lakhs)
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PoCI*	Total
I	ECL allowance balance as at April 01, 2024	1,901.42	887.20	2,478.03	-	5,266.65
	New Loans originated during the year	6,511.25	30.19	-	42.43	6,583.88
	Transfers to Stage 1	144.36	(6.40)	(137.96)	-	0.00
	Transfers to Stage 2	(1,135.86)	1,141.35	(5.50)	-	(0.00)
	Transfers to Stage 3	(1,838.92)	(710.68)	2,549.59	-	-
	Loans derecognised / transfer of loans to SR during the year	(1,811.88)	-	-	-	(1,811.88)
	Written offs	-	-	(9,003.46)	(42.43)	(9,045.90)
	Impact on year end ECL of exposures transferred between stages during the year	886.93	1,654.27	11,506.53	-	14,047.73
	Matured or repaid during the year	(1,308.04)	(752.30)	(3,420.69)	-	(5,481.04)
II	ECL allowance balance as at March 31, 2025	3,349.27	2,243.64	3,966.55	-	9,559.45
	New Loans originated during the year	6,719.59	-	-	-	6,719.59
	Transfers to Stage 1	373.42	(196.47)	(176.95)	-	-
	Transfers to Stage 2	(907.08)	935.93	(28.86)	-	-
	Transfers to Stage 3	(1,161.53)	(1,551.61)	2,713.14	-	-
	Loans derecognised / transfer of loans to SR during the year	(2,936.90)	(12.51)	(8.85)	-	(2,958.25)
	Written offs	-	-	(3,427.57)	-	(3,427.57)
	Impact on year end ECL of exposures transferred between stages during the year	(360.12)	1,291.01	2,066.93	-	2,997.82
	Matured or repaid during the year	(91.62)	(398.00)	(1,125.00)	-	(1,614.63)
III	ECL allowance balance as at March 31, 2026	4,985.03	2,311.99	3,979.39	-	11,276.40

* Purchased or originated Credit Impaired Loans

iii) Analysis of risk concentration

The following table shows risk concentration of the Company's loans basis risk exposure into smaller homogeneous portfolios, based on shared credit risk characteristics as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2026	As at March 31, 2025
Carrying value of Loans		
Loan against property (LAP)	3,13,443.72	2,40,510.60
Business Loan	1,38,366.31	1,47,805.92
Loan against machinery	40,044.45	28,005.70
Corporate Lending	31,971.99	13,615.38
Consumer loan	11.07	3,484.11
Loan to subsidiaries	200.74	361.95
Total	5,24,038.29	4,33,783.66



43. Risk Management framework (continued)

b) Liquidity risk

Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has arranged for diversified funding sources, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Maturity analysis of assets and liabilities

As at March 31, 2026

(₹ in lakhs)

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	49,831.49	49,831.49	-	-	-	-
Bank balances other than cash and cash equivalents	20,117.69	1,309.83	11,047.81	6,047.63	1,712.42	-
Derivative financial instrument	9,595.42	2,334.16	-	3,712.11	3,549.14	-
Trade receivables	508.80	508.80	-	-	-	-
Loans	5,12,761.89	17,777.62	21,103.25	90,548.84	2,17,497.65	1,65,834.53
Investments	34,625.13	13,024.17	2,421.99	11,480.05	6,179.42	1,519.50
Other financial assets	48,534.97	1,672.96	3,489.35	12,016.06	27,671.05	3,685.54
Sub total	6,75,975.39	86,459.03	38,062.40	1,23,804.69	2,56,609.68	1,71,039.59
Non-financial assets						
Current tax assets (net)	198.96	-	-	-	198.96	-
Property, plant and equipment	3,210.12	-	-	-	-	3,210.12
Intangible assets under development	118.09	-	-	-	-	118.09
Intangible assets	2,659.23	-	-	-	-	2,659.23
Other non-financial assets	4,092.61	519.09	763.94	705.72	-	2,103.86
Sub total	10,279.01	519.09	763.94	705.72	198.96	8,091.30
Total assets	6,86,254.40	86,978.12	38,826.34	1,24,510.41	2,56,808.64	1,79,130.89
LIABILITIES						
Financial liabilities						
Trade payables	1,857.49	1,282.48	575.01	-	-	-
Borrowings (other than debt securities)	3,85,224.72	16,615.08	22,415.92	1,13,008.91	2,32,945.56	239.25
Other financial liabilities	22,626.04	20,031.13	290.87	857.13	1,370.26	76.65
Sub total	4,09,708.25	37,928.70	23,281.80	1,13,866.04	2,34,315.82	315.90
Non-financial liabilities						
Provisions	859.28	-	-	21.62	98.88	738.78
Deferred tax liabilities (net)	8,493.99	-	-	-	-	8,493.99
Other non-financial liabilities	2,030.60	2,030.60	-	-	-	-
Sub total	11,383.87	2,030.60	-	21.62	98.88	9,232.77
Total liabilities	4,21,092.12	39,959.30	23,281.80	1,13,887.66	2,34,414.70	9,548.67



As at March 31, 2025

(₹ in lakhs)

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	84,033.23	66,965.65	17,067.59	-	-	-
Bank balances other than cash and cash equivalents	41,955.83	31.34	22,770.53	19,153.96	-	-
Derivative financial instrument	41.52	-	-	-	41.52	-
Trade receivables	415.06	393.41	-	21.65	-	-
Loans	4,24,224.21	15,785.72	19,489.57	74,402.31	1,98,808.78	1,15,737.83
Investments	52,427.75	8,159.59	19,424.31	21,094.05	2,889.54	860.25
Other financial assets	35,857.15	732.51	2,674.46	9,514.79	19,703.34	3,232.05
Sub total	6,38,954.75	92,068.22	81,426.45	1,24,186.77	2,21,443.18	1,19,830.13
Non-financial assets						
Current tax assets (net)	432.23	-	-	-	432.23	-
Property, plant and equipment	2,307.82	-	-	-	-	2,307.82
Intangible assets under development	87.55	-	-	-	-	87.55
Intangible assets	3,207.15	-	-	-	-	3,207.15
Other non-financial assets	4,311.56	1,227.61	763.45	1,414.80	-	905.71
Sub total	10,346.31	1,227.61	763.45	1,414.80	432.23	6,595.78
Total assets	6,49,301.06	93,295.83	82,189.90	1,25,601.57	2,21,875.41	1,26,425.91
LIABILITIES						
Financial liabilities						
Trade payables	821.73	821.73	-	-	-	-
Debt securities	2,517.94	2,517.94	-	-	-	-
Borrowings (other than debt securities)	3,77,669.63	10,593.04	22,475.78	87,760.05	2,48,155.68	8,685.08
Other financial liabilities	10,788.22	6,792.35	1,514.57	1,954.85	526.44	-
Sub total	3,91,797.52	20,725.06	23,990.35	89,714.90	2,48,682.12	8,685.08
Non-financial liabilities						
Provisions	541.79	-	-	27.14	122.58	392.07
Deferred tax liabilities (net)	6,610.68	-	-	-	-	6,610.68
Other non-financial liabilities	3,843.12	3,843.12	-	-	-	-
Sub total	10,995.59	3,843.12	-	27.14	122.58	7,002.75
Total liabilities	4,02,793.11	24,568.18	23,990.35	89,742.04	2,48,804.70	15,687.83

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Company's financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	-	-	-	2,535.36	-	2,535.36
Borrowings (other than debt securities)	1,52,039.92	2,33,184.80	3,85,224.72	1,50,147.49	2,99,584.14	4,49,731.63
Trade payables	1,857.49	-	1,857.49	821.73	-	821.73
Other financial liabilities	21,179.13	1,446.91	22,626.04	10,261.77	526.44	10,788.22
Total	1,75,076.54	2,34,631.71	4,09,708.25	1,63,766.35	3,00,110.58	4,63,876.94

c) Market risk (interest rate risk)

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Company's risk management framework.



Protium Finance Limited

Notes to the Standalone Financial Statements

Exposure to interest rate risk

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets		
Fixed-rate instruments	2,11,303.27	1,90,257.57
Floating-rate instruments	3,02,883.81	2,36,001.67
Sub- Total	5,14,187.08	4,26,259.24
Add: Accrued / Overdue Interest	9,851.21	7,524.42
Less: Unamortized cost / Impairment loss allowance	(11,276.40)	(9,559.45)
Total	5,12,761.89	4,24,224.21
Financial Liabilities		
Fixed-rate instruments	1,21,414.00	97,494.41
Floating-rate instruments	2,65,109.21	2,83,916.27
Sub- Total	3,86,523.20	3,81,410.68
Add: Accrued Interest	909.33	1,289.40
Less: Unamortized cost	(2,207.81)	(2,512.51)
Total	3,85,224.72	3,80,187.57

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

(₹ in lakhs)				
Particulars	As at March 31, 2026		As at March 31, 2025	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	3,024.04	(3,024.04)	2,366.04	(2,366.04)
Floating rate borrowings	(2,651.09)	2,651.09	(2,839.16)	2,839.16
	372.95	(372.95)	(473.12)	473.12

d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Group are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Group has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal by Risk Management committee on a periodic basis.

e) Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast repayment of borrowings in US dollar. These forecast transactions are highly probable, and they comprise for the 100% of the Company's exposure in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency changes in foreign exchange forward rates.

The company's exposure of foreign currency risk at the end of the reporting period as follow

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Hedged		
External commercial borrowings (USD 68 million, March 31, 2025 USD 58 million)	(57,193.40)	(48,591.90)
Derivative financial instrument*	57,193.40	48,591.90

*Represents the notional amount of the derivative financial instrument



Notes to the Standalone Financial Statements

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 foreign currency risk.

Hedging Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Hedge ratio

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

f) Impact of hedge on the Balance Sheet

As at 31 March 2026

(` in lakhs)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability	Amount recognised in Profit and Loss - ineffective portion	Amount recognised in OCI effective portion	Amount outstanding in Cash Flow Hedge Reserve (Before tax)
Cross Currency Interest Rate Swaps (External commercial borrowings)	57,193.40	7,261.25	-	-	1,093.52	89.74
Foreign currency forward contract (Foreign currency term loan)	44,100.00	2,334.17	-	-	(428.95)	(428.95)

As at 31 March 2025

(` in lakhs)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability	Amount recognised in Profit and Loss - ineffective portion	Amount recognised in OCI effective portion	Amount outstanding in Cash Flow Hedge Reserve (Before tax)
Cross Currency Interest Rate Swaps(External commercial borrowings)	48,591.90	41.52	-	-	(968.76)	(1,003.80)
Foreign currency forward contract (Foreign currency term loan)	28,500.00	-	-	-	-	-

Hedge Maturity

Particulars	As at March 31, 2026	As at March 31, 2025
Cross Currency Interest Rate Swaps(External commercial borrowings)	Oct-2026 to June 2028	Oct-2026 to June 2028
Foreign currency forward contract (Foreign currency term loan)	April 2026	April 2025



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Maturity of notional amount

As at March 31, 2026

(₹ in lakhs)

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Cross Currency Interest Rate Swaps(External commercial borrowings)	57,193.40	-	-	29,577.15	27,616.25	-
Foreign currency forward contract (Foreign currency term loan)	44,100.00	1,500.00	1,200.00	8,100.00	33,300.00	-

As at March 31, 2025

(₹ in lakhs)

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Cross Currency Interest Rate Swaps(External commercial borrowings)	48,591.90	-	-	-	48,591.90	-
Foreign currency forward contract (Foreign currency term loan)	28,500.00	1,500.00	-	4,500.00	22,500.00	-

Movement in Cash flow hedge reserve are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	751.14	26.22
Effective portion of change in fair value		
-Foreign Currency Forward	(2,836.61)	-
-Cross Currency Interest Rate Swaps	(7,219.74)	(76.56)
Foreign currency exchange rate differences	9,391.77	1,045.31
Tax on movement	167.27	(243.84)
Closing Balance	253.84	751.14

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Protium Finance Limited

Notes to the Standalone Financial Statements

44. Fair Value measurement

44.1 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 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:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

44.2 Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

44.3 There have been no transfers between levels during the year ended March 31, 2026 and year ended March 31, 2025.

44.4 Fair value measurement hierarchy:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2026		(₹ in lakhs)			
Particulars	Carrying Value	Fair value measurement using			
		Level 1	Level 2	Level 3*	Total
Financial assets					
At Amortised cost					
Loans	3,64,528.46	-	-	3,55,488.56	3,55,488.56
Other financial assets	48,534.97	-	-	48,534.97	48,534.97
Investment**	32,255.67	29,615.98	-	2,639.69	32,255.67
At FVTPL					
Investment	1,608.46	1,608.46	-	-	1,608.46
At FVTOCI					
Derivative financial instrument	9,595.42	-	9,595.42	-	9,595.42
Loans	1,48,233.43	-	-	1,48,233.43	1,48,233.43
Total financial assets	6,04,756.41	31,224.44	9,595.42	5,54,896.65	5,95,716.51
Financial liabilities					
At Amortised cost					
Trade payables	1,857.49	-	-	1,857.49	1,857.49
Borrowings	3,85,224.72	-	-	3,85,224.72	3,85,224.72
Other financial liabilities	22,626.04	-	-	22,626.04	22,626.04
Total financial liabilities	4,09,708.25	-	-	4,09,708.25	4,09,708.25



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Notes to the Standalone Financial Statements

As at March 31, 2025

(₹ in lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial assets					
At Amortised cost					
Loans	3,35,034.60	-	-	3,37,884.18	3,37,884.18
Other financial assets	35,857.15	-	-	35,857.15	35,857.15
Investment and financial receivables	-	-	-	-	-
Investment in Debentures	11,537.38	11,537.38	-	-	11,537.38
Investment in Subsidiary(ies)	-	-	-	-	-
Investment**	42,923.58	34,805.22	-	8,118.36	42,923.58
Investment in Government Securities	12,920.22	12,920.22	-	-	12,920.22
Investment in ULIP	99.26	99.26	-	-	99.26
Investment in commercial papers	10,347.62	10,347.62	-	-	10,347.62
Investment in Mutual Funds	8,643.91	8,643.91	-	-	8,643.91
Investment in Security Receipts	-	-	-	-	-
Investment in Debentures	-	-	-	-	-
Investment in PTC's	8,118.36	-	-	8,118.36	8,118.36
Less: Impairment loss Allowance	-	-	-	-	-
At FVTPL	-	-	-	-	-
Investment	-	-	-	-	-
At FVTPL					
Investment	8,743.17	8,743.17	-	-	8,743.17
At FVTOCI					
Derivative financial instrument	41.52	-	41.52	-	41.52
Loans	89,189.61	-	-	89,189.61	89,189.61
Total financial assets	5,11,789.63	43,548.39	41.52	4,71,049.30	5,14,639.21
Financial liabilities					
At Amortised cost					
Trade payables	821.73	-	-	821.73	821.73
Debt Securities	2,517.94	-	-	2,517.94	2,517.94
Borrowings	3,77,669.63	-	-	3,77,669.63	3,77,669.63
Other financial liabilities	10,788.22	-	-	10,788.22	10,788.22
Total financial liabilities	3,91,797.52	-	-	3,91,797.52	3,91,797.52

*The carrying value of assets and liabilities at amortised cost represents a reasonable approximation of fair value

** Exclude Group Company investments 761.00 Lakhs (Previous year 761.00 Lakhs) measured at cost.



Protium Finance Limited

Notes to the Standalone Financial Statements

45. Lease accounting

The Company has entered into leasing arrangements for premises. Right of use assets ("ROU") has been included under 'Property, plant and equipment' and lease liability has been included under 'Other financial liabilities' in the Balance sheet.

45.1 Following are the changes in the carrying value of right of use assets (ROU):

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,421.45	1,915.23
Addition during the year	2,997.73	945.52
Disposals during the year	(19.80)	(0.36)
Depreciation for the year	(1,867.85)	(1,438.94)
Balance as at the end of the year	2,531.53	1,421.45

45.2 The following is the movement in lease liabilities:

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,514.41	1,946.80
Addition during the year	2,930.35	922.35
Finance cost accrued during the year	325.44	203.48
Payment of lease liabilities made during the year	(2,058.26)	(1,557.98)
Disposal during the period	(20.27)	(0.23)
Balance as at the end of the year	2,691.66	1,514.41

45.3 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2026 on an undiscounted basis:

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	1,244.77	1,075.51
Between one and five years	1,370.26	539.63
More than five years	76.63	-
Total	2,691.66	1,615.13

45.4 Expenses recognised in the statement of Profit and Loss:

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation expense on right-of-use assets	1,867.85	1,438.94
Interest expense on lease liabilities	325.44	203.48
Expense relating to short-term leases	291.76	270.50
Expense relating to leases of low value assets	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

45.5 Amount recognised in the statement of Cash flow:

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Total cash outflow for leases	2,058.26	1,557.98

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Protium Finance Limited

Notes to the Standalone Financial Statements

46. Disclosure of transactions with related parties as required by Ind AS 24:

a. List of related parties and relationship:

<u>Name of related parties by whom control is exercised</u>	
Holding company	Consilience Capital Management
Subsidiaries	Protium Business Services Private Limited Shibui Technologies Private Limited
Key Management Personnel (KMP)	Mr. Peeyush Misra - (Managing Director & CEO) Mr. Parveen Kumar Gupta - Independent Director Ms. Anuradha Rao - Independent Director (Till 08-07-2025) Ms. Dakshita Das - Independent Director Mr. Pravin Raghavendra - Independent Director (appointed wef 26.06.2025) Mr. Sitaram Kunte - Independent Director

b. Transactions with Related Parties:

Nature of transactions	(₹ in lakhs)	
	As at March 31, 2026	As at March 31, 2025
Loan to subsidiary companies		
Protium Business Services Private Limited	100.00	350.00
Shibui Technologies Private Limited	-	75.00
Loan repaid by subsidiary companies		
Protium Business Services Private Limited	250.00	-
Shibui Technologies Private Limited	10.00	65.00
Interest income from subsidiary		
Protium Business Services Private Limited	18.63	7.81
Shibui Technologies Private Limited	0.03	1.10
Director's fees, allowances, and expenses		
Mr. Parveen Kumar Gupta	45.00	42.00
Ms. Anuradha Rao	18.00	34.00
Ms. Dakshita Das	39.00	34.00
Mr. Sitaram Kunte	48.00	39.00
Mr. Peruvemba Ramachandran Seshadri	23.00	-
Fees collected on behalf of subsidiary		
Protium Business Services Private Limited	2,617.18	2,646.21
Income from support service		
Protium Business Services Private Limited	1,203.81	1,413.33
Other reimbursement		
Protium Business Services Private Limited	-	0.60



Protium Finance Limited

Notes to the Standalone Financial Statements

c. Related parties balance outstanding :

As at March 31, 2026

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by holding company in equity shares of the Company				
Consilience Capital Management	2,08,763.78	-	-	-
Investments in Subsidiary Companies				
Protium Business Services Private Limited	-	760.00	-	-
Shibui Technologies Private Limited	-	1.00	-	-
Loans given including accrued interest				
Protium Business Services Private Limited	-	200.74	-	-
Shibui Technologies Private Limited	-	-	-	-
Trade Receivable from Subsidiary companies				
Protium Business Services Private Limited	-	251.21	-	-

As at March 31, 2025

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by holding company in equity shares of the Company				
Consilience Capital Management	2,08,763.78	-	-	-
Investments in Subsidiary Companies				
Protium Business Services Private Limited	-	760.00	-	-
Shibui Technologies Private Limited	-	1.00	-	-
Loans given including accrued interest				
Protium Business Services Private Limited	-	351.64	-	-
Shibui Technologies Private Limited	-	10.30	-	-

Note:

1. Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the company. In other cases, disclosure has been made only when there have been transactions with those parties.
2. Related parties as defined under paragraph 9 of the Indian Accounting Standard-24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms length basis.
3. The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable.
4. The Company has given loan to its subsidiaries for working capital requirement. The loan has been utilized by the subsidiaries for the purpose it was obtained. The loan is unsecured, repayable on demand and carries interest rates at the rate of 12% per annum.
5. Services rendered to subsidiary
The Group has entered into contract with subsidiary for reimbursement of common service charges on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

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Protium Finance Limited

Notes to the Standalone Financial Statements

47. Rating assigned by the credit rating agencies during the year :

(₹ in lakhs)

Instrument	Credit Rating Agency	As at March 31, 2026			As at March 31, 2025		
		Rating Amount	Date	Rating	Rating Amount	Date	Rating
Bank loan ratings	Acuite Ratings & Research Limited	5,00,000.00	16-Oct-25	ACUITE AA- (Outlook : Stable)	3,50,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)
Non convertible debentures	Acuite Ratings & Research	35,000.00	16-Oct-25	ACUITE AA- (Outlook : Stable)	15,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)
Pass through certificates – Turiya BL - 230703	India Ratings & Research				696.90	21-Oct-24	IND AA(SO)/Stable
Pass through certificates – Turiya BL-2304	Care Ratings Limited				3,155.00	10-Jun-24	CARE AA (SO)
Pass through certificates – Turiya EDI - 230601	Care Ratings Limited	1,242.00	17-Oct-25	CARE AAA (SO)	2,255.00	19-Jul-24	CARE AA+ (SO)
Pass through certificates – Turiya LAP - 230701	ICRA Limited				2,502.00	27-Nov-24	[ICRA] AAA(SO)
Pass through certificates – Turiya LAP - 230802	ICRA Limited				1,325.00	27-Nov-24	[ICRA] AAA(SO)
Pass through certificates – Turiya LAP - 2401	ICRA Limited	646.00	28-Jan-26	[ICRA] AAA(SO)	1,577.00	17-Jan-25	[ICRA] AAA(SO)
Pass through certificates – Turiya BL - 2310	ICRA Limited	1,620.00	22-Dec-25	[ICRA] AA+(SO)	2,971.00	19-Dec-24	[ICRA] AA+(SO)
Pass through certificates – Turiya BL-2311	India Ratings & Research				2,313.10	17-Dec-24	IND AA- (SO)/Stable
Pass through certificates – Turiya BL-231201	India Ratings & Research				979.50	4-Feb-25	IND AA(SO)/Stable
Pass through certificates – TURIYA BL - 240902	India Ratings & Research	1,729.90	2-Dec-25	IND AA(SO)/Stable	4,062.80	28-Jan-25	IND AA(SO)/Stable
Pass through certificates – Turiya LAP 241001	ICRA Limited	1,822.00	30-Mar-26	[ICRA] AA+(SO)	4,291.00	12-Mar-25	[ICRA] AA+(SO)

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48. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

a. Analytical ratios

Particulars	As at March 31, 2026	As at March 31, 2025
Risk weighted assets (Rs in Lakhs)	5,74,204.40	4,56,981.07
Net owned funds (Tier I Capital) (Rs in Lakhs)	2,18,281.84	2,07,495.38
Tier II capital (Rs in Lakhs)	3,936.11	1,261.10
CRAR (%)	38.70%	45.68%
Variance in CRAR (%)	-6.98%	-12.18%
CRAR Tier I capital (%)	38.01%	45.41%
Variance in CRAR Tier I capital (%)	-7.39%	-12.45%
CRAR Tier II capital (%)	0.69%	0.28%
Variance in CRAR Tier II capital (%)	0.41%	0.28%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-
Liquidity coverage ratio (%)	182.38%	210.14%
Variance in liquidity coverage ratio (%)	-27.77%	-120.61%

LCR reduction on account of Liquidity buffer shrink because of optimum utilisation of cash

Ratio

1. CRAR (capital Risk Adjusted Ratio) = (Net owned fund and Tier II Capital / Risk Weighted Assets (RWA)

2. CRAR (capital Risk adjusted Ratio) - Tier I Capital = [Net owned funds / Risk Weighted Assets (RWA)

3. CRAR (capital Risk adjusted Ratio) - Tier II Capital = [Tier II capital / Risk Weighted Assets (RWA)

4. Liquidity Coverage Ratio (LCR) = High Quality Liquid Assets / Total Net Cash Outflows over next 30 calendar days

b. Disclosure on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (Refer note No. 3.10 & 43)

Quantitative disclosures

Particulars	As at March 31, 2026		As at March 31, 2025	
	Forward rate agreement / cross currency interest rate		Forward rate agreement / cross currency interest rate swaps	
Derivatives (notional principal amount)				
For hedging		1,01,293.40		77,091.90
Marked to market position				
a) Asset (+)		9,595.42		41.52
b) Liability (-)		-		-
Credit exposure		1,01,293.40		77,091.90
Unhedged exposures		-		-

Forward rate agreement / cross currency interest rate swaps

Particulars	As at March 31, 2026		As at March 31, 2025	
	Forward rate agreement / cross currency interest rate		Forward rate agreement / cross currency interest rate swaps	
(i) The notional principal of forward/swap agreements		1,01,293.40		77,091.90
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		9,595.42		41.52
(iii) Collateral required by the NBFC upon entering into forwards/swaps		NA		NA
(iv) Concentration of credit risk arising from the forwards/swaps*		NA		NA
(v) The fair value of the forward/swap book		9,595.42		41.52

*Concentration of credit risk arising from forward/swap with banks.

Exchange traded interest rate (IR) derivatives

The Company has not traded in exchange traded interest rate derivative in for the financial year March 31, 2026 (March 31, 2025 - Nil).

c. Disclosure on exposure to real estate sector

Particulars	As at March 31, 2026		As at March 31, 2025	
	Forward rate agreement / cross currency interest rate		Forward rate agreement / cross currency interest rate swaps	
(i) Residential mortgages -				
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		1,53,209.27		1,39,202.73
(ii) Commercial real estate -				
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).		83,768.63		99,503.48
Exposure shall also include non-fund based limits				
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures -				
a. Residential		-		-
b. Commercial real estate		-		-
(iv) Indirect exposure		-		-
Total exposure to real estate sector		2,36,977.90		2,38,706.21

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48. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (Continued)

d. Disclosure on investments

Particulars	('₹ in lakhs)	
	As at March 31, 2026	As at March 31, 2025
(1) Value of Investments		
(i) Gross value of Investments		
(a) In India	34,888.97	52,441.48
(b) Outside India,	-	-
(ii) Provision for impairment		
(a) In India	263.84	13.73
(b) Outside India,	-	-
(iii) Net value of Investments		
(a) In India	34,625.13	52,427.75
(b) Outside India,	-	-
Closing balance	34,625.13	52,427.75
(2) Movement of provisions held towards impairment on Investments		
(i) Opening balance	13.73	0.59
(ii) Add : Provisions made during the year	263.84	-
(iii) Less : Write-off / write-back of excess provisions during the year	(13.73)	13.14
Closing balance	263.84	13.73

e. Asset liability management:

Maturity pattern of certain items of assets and liabilities

As at March 31, 2026											('₹ in lakhs)
Particulars	1 - 7 Days	8 - 14 Days	15 - 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings (other than debt securities)	11,428.97	681.63	3,996.19	7,439.47	14,744.23	27,483.94	51,922.70	1,45,626.13	56,848.21	239.25	3,20,410.72
Foreign currency liabilities	-	-	508.30	200.05	32.17	-	33,602.28	23,663.58	6,807.63	-	64,814.00
Assets											
Loans	15,012.69	2,763.30	1.63	10,314.44	10,788.81	11,498.32	79,050.52	1,46,382.88	71,114.77	1,65,834.53	5,12,761.89
Investments	-	1,494.35	11,529.82	2,290.18	131.80	7,290.14	4,189.91	5,032.05	1,147.37	1,519.50	34,625.13

As at March 31, 2025											('₹ in lakhs)
Particulars	1 - 7 Days	8 - 14 Days	15 - 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings (other than debt securities)	3,050.05	314.99	5,541.62	8,611.33	13,655.04	29,195.45	54,064.60	1,37,044.62	39,368.29	8,685.05	2,99,531.06
Debt securities	-	-	2,517.94	-	-	-	-	-	-	-	2,517.94
Foreign currency liabilities	-	-	1,686.40	209.40	-	1,500.00	3,000.00	48,396.47	23,346.29	-	78,138.57
Assets											
Loans	14,185.70	1,600.02	-	9,534.02	9,955.55	26,801.40	47,600.92	1,37,901.13	60,907.64	1,15,737.83	4,24,224.21
Investments	3,998.59	-	4,161.01	14,688.32	4,735.99	12,781.57	8,312.47	2,889.54	-	860.26	52,427.75

- a) Overdue Receivable for non-performing loans and advances have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.
- b) Classification of asset and Liabilities under maturity bucket is based on some estimates and assumptions and derived from internal MIS prepared by the company followed consistently.

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Protium Finance Limited

Notes to the Standalone Financial Statements

49. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

a. Funding concentration based on significant counterparty (borrowings)

As at	No of significant counterparties*	Amount in lakhs	% of total deposits	% of total liabilities
March 31, 2026	17	3,58,534.12	NA	85.14%
March 31, 2025	24	3,41,181.67	NA	84.70%

*Significant counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total liabilities.

b.i Top 20 large deposits – not applicable

b.ii Top 10 borrowings

(₹ in lakhs)			
Sr No.	Name of the instrument	As at March 31, 2026	As at March 31, 2025
1	Total borrowings outstanding	3,85,224.72	3,80,187.57
2	Total amount of top 10 borrowings	3,10,340.69	2,43,765.45
3	Percentage of amount of top 10 borrowings to total borrowing outstanding	80.56%	64.12%

c. Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument	As at March 31, 2026		As at March 31, 2025	
		Amount in lakhs	% of Total Liabilities	Amount in lakhs	% of Total Liabilities
1	Term loan	3,05,132.87	72.46%	3,08,280.54	76.54%
2	External commercial borrowings	64,814.00	15.39%	49,976.56	12.41%
3	Working capital / short term facilities	10,902.44	2.59%	1,900.03	0.47%
4	Non convertible debentures	-	0.00%	2,517.94	0.63%
5	Pass through certificates – securitization	4,375.41	1.04%	17,512.50	4.35%
	Total	3,85,224.72	91.48%	3,80,187.57	94.39%

d. Stock Ratios

(₹ in lakhs)			
Sr No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Commercial papers to total liabilities	NA	NA
2	Commercial papers to total assets	NA	NA
3	Commercial papers to total public fund	NA	NA
4	NCDs (original maturity < 1 year) to total liabilities	NA	NA
5	NCDs (original maturity < 1 year) to total assets	NA	NA
6	NCDs (original maturity < 1 year) to total public funds	NA	NA
7	Other short term liabilities to total liabilities	42.06%	34.34%
8	Other short term liabilities to total assets	26.20%	21.64%
9	Other short term liabilities to total public funds	45.98%	36.38%

e. Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals which oversees the liquidity risk management. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures of the NBFC to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it. The ALCO consisting of the Company's top management is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company.

The Company also has a funding strategy that provides effective diversification in the sources and tenure of funding. It maintains an ongoing presence in its chosen funding markets and strong relationships with fund providers to promote effective diversification of funding sources. The Company regularly gauges its capacity to raise funds quickly from each source. There is no over-reliance on a single source of funding.

The Company has appropriate internal controls, systems and procedures to ensure adherence to liquidity risk management policies and procedure.



Notes to the Standalone Financial Statements

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (Continued)

f. Disclosure on liquidity coverage ratio

Disclosure in pursuant of para 89 of (Master Direction – Reserve Bank of India Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. NBFCs with assets more than Rs 5,000 crores, required to maintain Liquidity coverage ratio (LCR) as mentioned therein.

As on 31st December 2023, our Company has crossed Rs 5,000 Cr assets mark and adopted to start complying with the monitoring and tracking of Liquidity coverage ratio (LCR) as part of Liquidity Risk Management framework from 1st January 2024 onwards as per RBI guidelines. The objective of this policy is to create an institutional mechanism to compute, review and monitor periodically all the elements of the liquidity, develop suitable Liquidity Risk Management Framework, identify potential risks, take suitable decisions and mitigate such risks.

As per RBI guidelines to ensure strong liquidity, NBFCs shall maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 day calendar time horizon under a significantly severe liquidity stress scenario.

The Company follows the criteria laid down by RBI for calculation of Liquidity coverage ratio (LCR) which is represented by the ratio "Stock of HQLA" divided by "Total Net Cash Outflows over the next 30 calendar days". Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow). However, total cash inflows will be subjected to an aggregate cap of 75% of total expected cash outflows. In other words, total net cash outflows over the next 30 days = Stressed Outflows - Min (stressed inflows; 75% of stressed outflows).

Company for purpose of computing cash outflows, have considered:

1. Secured wholesale funding i.e., all the contractual debt repayments,
2. Liquidity needs (e.g., collateral calls) related to financing transactions, derivatives and other contracts where 'downgrade triggers' up to and including a 3-notch downgrade,
3. Currently undrawn committed credit and liquidity facilities,
4. Any other contractual outflows not captured elsewhere in the template i.e., operational expenditure.

Cash Inflows comprises of:

1. All other assets i.e., expected receipt from all performing loans,
2. Lines of credit – Credit or liquidity facilities or other contingent funding facilities that the NBFC holds at other institutions for its own purpose (Facilities which are sanctioned but not yet disbursed)

Qualitative Information:

Main Drivers to the LCR numbers:

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation

Intra-period changes as well as changes over time:

There are no intra-period changes and changes over time for the year ended March 31, 2026 and March 31, 2025.

Composition of HQLA:

The HQLA maintained by the Company comprises of cash on hand, bank balance, government securities and corporate bonds. The details are given below.

Concentration of funding sources:

The Company maintains diversified sources of funding comprising short/long term loans from Banks, NBFCs, and Securitisation. The funding patter is reviewed regularly by the management.

Derivative exposures and potential collateral calls:

As on March 31, 2026, the Company has derivative exposure of Rs.9,595.42 lakhs

Currency mismatch in LCR:

There is Nil mismatch to be reported in LCR as on March 31, 2026.



Notes to the Standalone Financial Statements

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile:
Nil

HQLA is considered as per RBI guidelines.

(₹ in lakhs)

Sr. No.	Particulars	Q1 FY 2025-26		Q2 FY 2025-26		Q3 FY 2025-26		Q4 FY 2025-26	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High quality liquid assets									
1	High Quality Liquid Assets								
	Assets to be included as HQLA without any haircut								
	(i) Cash on hand	-	-	-	-	-	-	-	-
	(ii) Bank balance	7,816.98	7,816.98	13,087.00	13,087.00	12,069.00	12,069.00	9,954.62	9,954.62
	(iii) Government securities	8,516.48	8,516.48	13,859.00	13,859.00	18,549.00	18,549.00	15,783.33	15,783.33
	(iv) Corporate bonds	-	-	-	-	-	-	9,754.45	8,291.28
	Total HQLA	16,333.46	16,333.46	26,946.00	26,946.00	30,618.00	30,618.00	35,492.40	34,029.23
Cash outflows									
2	Deposits (for deposit taking companies)								
3	Unsecured wholesale funding	17,094.81	19,659.03	10,771.00	12,387.00	4,803.00	5,523.00	10,645.00	12,241.75
4	Secured wholesale funding	19,557.55	22,491.18	25,949.00	29,841.00	27,521.00	31,649.00	30,796.73	35,416.23
5	Additional requirements, of which	-	-	-	-	-	-	-	-
a	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
b	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
c	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	15,891.16	18,274.84	16,564.00	19,049.00	16,631.00	19,126.00	14,916.31	17,153.75
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total cash outflows	52,543.52	60,425.04	53,284.00	61,277.00	48,955.00	56,298.00	56,358.04	64,811.73
Cash inflows									
9	Secured lending								
10	Inflows from fully performing exposures	11,649.79	8,737.34	13,046.00	9,785.00	16,866.00	12,650.00	17,319.00	12,989.00
11	Other cash inflows	55,559.56	41,669.67	1,02,695.00	77,021.00	31,433.00	23,575.00	44,219.00	33,164.00
12	Total cash inflows	67,209.35	50,407.01	1,15,741.00	86,806.00	48,299.00	36,225.00	61,538.00	46,153.00
		Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13	Total HQLA		16,333.46		26,946.00		30,618.00		34,029.23
14	Total net cash outflows		15,106.26		15,319.00		20,074.00		18,658.74
15	Liquidity coverage ratio (%)		108.12%		175.90%		152.53%		182.38%



Protium Finance Limited

Notes to the Standalone Financial Statements

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (Continued)

HQLA is considered as per RBI guidelines.

(₹ in lakhs)

(₹ in lakhs)									
Sr. No.	Particulars	Q1 FY 2024-25		Q2 FY 2024-25		Q3 FY 2024-25		Q4 FY 2024-25	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High quality liquid assets									
1	High Quality Liquid Assets								
	Assets to be included as HQLA without any haircut								
	(i) Cash on hand	-	-	-	-	-	-	-	-
	(ii) Bank balance	6,305.05	6,305.05	6,390.43	6,390.43	8,441.28	8,441.28	21,008.96	21,008.96
	(iii) Government securities	20,439.56	20,439.56	13,880.43	13,880.43	15,663.04	15,663.04	14,205.56	14,205.56
	Total HQLA	26,744.61	26,744.61	20,270.86	20,270.86	24,104.32	24,104.32	35,214.52	35,214.52
Cash outflows		0.869565217							
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	8,819.06	10,141.91	11,126.89	12,795.92	10,702.01	12,307.31	12,649.26	14,546.65
4	Secured wholesale funding	24,206.69	27,837.70	26,000.70	29,900.80	27,581.67	31,718.92	30,536.53	35,117.01
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	a Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	b Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	c Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	11,173.12	12,849.08	13,276.94	15,268.48	13,284.23	15,276.87	15,100.73	17,365.84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total cash outflows	44,198.86	50,828.69	50,404.52	57,965.20	51,567.91	59,303.09	58,286.52	67,029.50
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	9,116.94	6,837.71	9,116.94	6,837.71	8,837.80	6,628.35	11,315.35	8,486.51
11	Other cash inflows	74,852.41	56,139.31	65,699.42	49,274.57	1,06,595.09	79,946.32	82,194.38	61,645.79
12	Total cash inflows	83,969.35	62,977.02	74,816.37	56,112.28	1,15,432.89	86,574.67	93,509.73	70,132.30
	Total adjusted value								
13	Total HQLA		26,744.61		20,270.86		24,104.32		35,214.52
14	Total net cash outflows		12,707.17		14,491.30		14,825.77		16,757.37
15	Liquidity coverage ratio (%)		210.47%		139.88%		162.58%		210.14%

Note: The disclosures above are based on the information and records maintained and compiled by the management and have been relied upon by the auditors.

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50. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

a. Sectoral exposure

(₹ in lakhs)

Sectors	As at March 31, 2026			As at March 31, 2025		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	% of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	% of gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
Food & beverages	16,895.75	787.96	4.66%	20,208.51	601.17	2.97%
Textiles	15,301.69	700.44	4.58%	16,871.32	548.83	3.25%
Others	1,63,561.80	3,426.72	2.10%	1,09,314.00	2,248.48	2.06%
Total of industries	1,95,759.24	4,915.12	2.51%	1,46,393.83	3,398.48	2.32%
3. Services						
Education/Professional	6,354.75	230.17	3.62%	14,962.00	11.12	0.07%
Retail trade	90,789.08	2,731.31	3.01%	83,533.00	2,373.39	2.84%
Others	1,70,484.85	1,889.30	1.11%	1,31,335.00	2,086.86	1.59%
Total of services	2,67,628.68	4,850.78	1.81%	2,29,830.00	4,471.37	1.95%
4. Personal Loans						
Retail loans	83,904.85	2,449.55	2.92%	76,881.11	2,572.12	3.35%
Total of personal loans	83,904.85	2,449.55	2.92%	76,881.11	2,572.12	3.35%
Grand total	5,47,292.77	12,215.45	2.23%	4,53,104.94	10,441.97	2.30%

b. Intra-group exposures:

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Total amount of Intra-group exposures	200.74	361.95
2	Total amount of top 20 intra-group exposures	200.74	361.95
3	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.04%	0.08%

c. Unhedged foreign currency exposure - NIL

d. Related party disclosures

(₹ in lakhs)

Nature of transaction	For the year ended March 31, 2026							Maximum outstanding during the year
	Holding company	Subsidiary company	Associates / Joint ventures	Key managerial personnel (KMP)	Relative of KMPs	Others	Total	
Advances	-	200.74	-	-	-	-	200.74	200.74
Investment	-	761.00	-	-	-	-	761.00	761.00
Interest received	-	18.66	-	-	-	-	18.66	NA
Services provided	-	1,203.81	-	-	-	-	1,203.81	NA
Services received	-	-	-	-	-	-	-	NA
Remuneration	-	-	-	467.54	-	-	467.54	467.54
Fees collected on behalf of subsidiary	-	2,617.18	-	-	-	-	2,617.18	NA
Other reimbursement	-	-	-	-	-	-	-	NA
Equity infusion	-	-	-	-	-	-	-	NA

(₹ in lakhs)

Nature of transaction	For the year ended March 31, 2025							Maximum outstanding during the year
	Holding company	Subsidiary company	Associates / Joint ventures	Key managerial personnel (KMP)	Relative of KMPs	Others	Total	
Advances	-	361.95	-	-	-	-	361.95	401.95
Investment	-	761.00	-	-	-	-	761.00	761.00
Interest received	-	8.91	-	-	-	-	8.91	NA
Services provided	-	1,413.33	-	-	-	-	1,413.33	NA
Services received	-	-	-	-	-	-	-	NA
Remuneration	-	-	-	353.78	-	-	353.78	353.78
Fees received on behalf of	-	2,646.21	-	-	-	-	2,646.21	NA
Other reimbursement	-	0.60	-	-	-	-	0.60	NA
Equity infusion	-	-	-	-	-	-	-	NA

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e. Disclosures of complaint

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
1.	Complaints received by the NBFC from its customers:		
2.	Number of complaints pending at beginning of the year	3	0
3.	Number of complaints received during the year	613	23
3.1	Number of complaints disposed during the year	594	20
4.	Of which, number of complaints rejected by the NBFC	450	0
4.	Number of complaints pending at the end of the year	19	3
5.*	Maintainable complaints received by the NBFC from Office of Ombudsman:		
5.1.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	109	46**
5.2	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	106	42
5.3	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	3	0
6.*	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

** In FY 2024-25, out of 46 complaints received from the Office of the Ombudsman, 4 pending complaints were closed by the RBI during FY 2025-26 in favour of the Company.

Note 1 - The Company revised the definition of 'Complaint' with effective from April 1, 2025. As a result of this change in definition, the complaint data disclosed for the financial year 2025-26 is not comparable with the previous year.

Note 2 - In three complaints the RBI advised payment of compensation of INR 12,400, INR 3,000 and INR 5,000 in another case which the Company has duly paid to the respective complainants.

Note 3 - 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.

f) Top five grounds of complaints received by the NBFCs from customers *

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2026					
Service Related	7**	217	262%	19	-
Collection Related	-	239	NA***	-	-
Bureau Related	-	84	NA***	-	-
Others	-	73	100%	-	-
Third Party	-	-	-100%	-	-
Total	7	613	788%	19	-
As at March 31, 2025					
Service Related	1	60	13%	5	-
Behavior Related	-	3	200%	1	-
Refund Related	-	6	100%	1	-
Third Party	1	-	-100%	-	-
Others	1	-	-100%	-	-
Total	3	69	-23%	7	-

* Note: These complaints include the complaints received by the NBFC from the office of Ombudsman.

**As per the revised complaint categorization, open complaints from previous year related to behavior and refund are considered service related complaints in current year.

***NA represents new category

Note 4 - With effect from April 1, 2025, the Company has revised the 'Category of Complaint'. As a result of this revision, the calculation of the percentage increase or decrease in the number of complaints received during the year is not comparable with the previous year.

g) Breach of covenant

There is no breach of covenant of loan availed or debt securities issued.

h) Divergence in asset classification and provisioning

The disclosures for divergence in assets classification and provisioning as per Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 is not applicable, as the Company has not received any communications from the RBI for divergence in asset classification.



Protium Finance Limited

Notes to the Standalone Financial Statements

51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

a. Registration obtained from other financial sector regulators

The Company is registered with the Reserve Bank of India ('RBI') as a non-deposit taking, Non Banking Finance Company ('NBFC'), vide certificate number N-13.02374. The Company has been classified as an Investment and Credit Company vide certificate number N-13.02374.

The Company got converted to Public Limited Company on April 12, 2022.

The Company has changed the name from Growth Source Financial Technologies Limited to Protium Finance Limited on June 01, 2022.

b. Disclosure of penalties imposed by RBI and other regulators - Nil

c. Exposure to Capital Market

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows / issues;	-	-
Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
Financing to stockbrokers for margin trading	-	-
All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Others	-	-
Total Exposure to Capital Market	-	-

d. Provisions and Contingencies

(₹ in lakhs)

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended March 31, 2026	For the year ended March 31, 2025
i	Provision for depreciation on Investment	250.11	13.14
ii	Provision towards NPA	6.95	1,488.52
iii	Provision made towards Income tax	4,144.34	2,762.41
iv	Other Provision and Contingencies (with details)		
(a)	Provision for Leave Encashment	35.38	10.41
(b)	Provision for Gratuity	282.11	218.54
(c)	Provision for Standard Assets	1,710.00	2,804.28
(d)	Provision for other financial assets	149.39	198.05
(e)	Provision for trade receivables	57.09	22.56



Protium Finance Limited

Notes to the Standalone Financial Statements

51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (Continued)

e. Concentration of Advances

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total advances to twenty largest borrowers*	35,274.88	18,455.68
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.88%	4.33%

* Only principal outstanding

f. Concentration of exposures

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to twenty largest borrowers/customers	35,414.11	18,596.49
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	6.76%	4.29%

g. Concentration of NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to top four NPA Accounts	1,228.24	758.36

h. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector as at March 31, 2026	Percentage of NPAs to Total Advances in that sector as at March 31, 2025
(i) Agriculture & allied activities	-	-
(ii) MSME	0.94%	0.78%
(iii) Services	0.93%	1.03%
(iv) Unsecured personal loans	0.47%	0.59%
(v) Others	0.00%	0.00%

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51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (Continued)

i. Movement of NPAs

		(₹ in lakhs)	
Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
i	Net NPAs to net advances (%)	1.54%	1.51%
ii	Movement of NPAs (Gross)		
	a) Opening Balance	10,484.41	5,408.23
	b) Additions during the year	24,324.70	18,956.88
	c) Reductions during the year	(22,593.63)	(13,880.70)
	d) Closing balance	12,215.47	10,484.41
iii	Movement of Net NPAs		
	a) Opening Balance	6,517.86	2,930.20
	b) Additions during the year	19,293.71	4,900.75
	c) Reductions during the year	(17,822.00)	(1,313.09)
	d) Closing balance	7,989.57	6,517.86
iv	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	3,966.55	2,478.03
	b) Additions during the year	5,030.99	14,056.13
	c) Reductions during the year	(4,771.64)	(12,567.61)
	d) Closing balance	4,225.90	3,966.55

The above movement in Non-Performing Assets (NPAs) has been presented in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, applicable to NBFCs. Under the IRAC framework, an account classified as NPA continues to be reported as NPA until all overdue principal and interest are cleared by the borrower and the account qualifies for upgradation in accordance with RBI guidelines.

j. Information on Instances of fraud:

Instances of fraud for the year ended March 31, 2026

		(₹ in lakhs)	
Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
i	Nature of Fraud	Nil	Nil
ii	No. of Cases	-	-
iii	Amount of fraud	-	-
iv	Recovery	-	-
v	Amount written-off/Provided	-	-

k. The Company has exposure to real estate sector as on March 31, 2026 and March 31, 2025. Disclosure pertaining to real estate exposure is mentioned in Note 48(c).

l. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

		(₹ in lakhs)	
Particulars		As at March 31, 2026	As at March 31, 2025
Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company		-	-

m. Details of financing of parent company products

The Company doesn't have any financing of parent company products during current year or previous year.

n. Overseas assets

The Company does not have any joint ventures and subsidiaries abroad.

o. Off-balance sheet SPVs sponsored

The Company does not have any off-balance sheet SPVs sponsored.

p. Registration obtained from other financial sector regulators

Regulator	Registration number
Receivables Exchange of India Limited (RXIL), TReDs platform	PRO067664
RBI Registration (NBFC code)	MUM12087
Legal Entity Identifier	254900XS0Z007C5SPY10

q. The disclosures given in the above notes pursuant to RBI Notifications are only to the extent they are applicable to the Company.

r. There has been no draw down from reserve during the year ended March 31, 2026 and March 31, 2025

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52. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

a. Details of transfer through assignment in respect of loan not in default during the year ended March 31, 2026*

Particulars	To Bank/ NBFC
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	1,49,742.98
Aggregate consideration received (₹ in lakhs)	1,49,742.98
Weighted average maturity of Loans (in years)	5.34
Weighted average Holding period of Loans (in years)	0.84
Weighted Average Residual Tenor of Loans sold (in years)	4.50
Retention of Beneficial economic interest (in %)	12.61%
Coverage of Tangible security Coverage (in %) **	222.39%
Rating-wise distribution of rated loans	NA

b. Details of transfer through assignment in respect of loan not in default during the year ended March 31, 2025*

Particulars	To Bank/ NBFC
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	86,645.62
Aggregate consideration received (₹ in lakhs)	86,645.62
Weighted average maturity of Loans (in years)	6.31
Weighted average Holding period of Loans (in years)	0.81
Weighted Average Residual Tenor of Loans sold (in years)	5.50
Retention of Beneficial economic interest (in %)	13.20%
Coverage of Tangible security Coverage (in %) **	194.06%
Rating-wise distribution of rated loans	NA

* The above table does not include loans transferred done by the Company through existing Co-Lending arrangements in compliance with the extant regulations in terms of circular FIDD>CO>Plan.BC.No.8/04.09.01/2020-21 dated November 5, 2020.

** For the computation of coverage of tangible Security ratio, the Company has considered only the secured loans.

c. Details of loan acquired through assignment in respect of loan not in default during the year ended March 31, 2026

Particulars	From Bank/ NBFC
Aggregate principal outstanding of loans acquired (₹ in lakhs)	97,469.24
Aggregate consideration paid (₹ in lakhs)	98,702.18
Weighted Average Residual Tenor of Loans sold (in years)	1.82
Coverage of Tangible security Coverage (in %)*	NA
Rating-wise distribution of rated loans	NA

*Purchased unsecured loan

d. Details of loan acquired through assignment in respect of loan not in default during the year ended March 31, 2025

Particulars	From Bank/ NBFC
Aggregate principal outstanding of loans acquired (₹ in lakhs)	36,892.19
Aggregate consideration paid (₹ in lakhs)	35,058.97
Weighted Average Residual Tenor of Loans sold (in years)	1.67
Coverage of Tangible security Coverage (in %)	NA
Rating-wise distribution of rated loans	NA

e. Details of stressed loans including special mention account transferred during the year ended March 31, 2026

Particulars	To ARC	To permitted transferees
No. of accounts	588	8,546
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	-	-
NPA*	4,081.36	10,468.43
SMA**	640.52	-
Weighted average maturity of Loans (in years)	7.39	2.79
Weighted average Holding period of Loans (in years)	1.94	2.33
Weighted Average Residual Tenor of Loans sold (in years)	5.45	0.46
Net book value of loans transferred (at the time of transfer) (₹ in lakhs)	2,973.81	-
Aggregate consideration (₹ in lakhs)	2,833.13	421.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-

*Including write off loans amounting to Rs. 315.53 lakhs to ARC. NPA classification is based on the status as on cut-off date.

**Including write off loans amounting to Rs. 9,122.80 lakhs to permitted transferees. NPA classification is based on the status as on cut-off date.

**SMA classification is based on the status as on cut-off date.

The Company had sold loans to an ARC during the year and Security Receipts (SRs) were received as considerations for the transfer of loans. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement / classification approach and ECL has been recognized in a similar manner as applicable to the underlying loans.

The Company had entered into an agreement with ASREC (India) Ltd on July 04, 2026 and September 30, 2026 to sell a portfolio of ₹ 4,721.89 Lakhs (net book value ₹ 2,973.81), for an aggregate purchase consideration of ₹ 2,833.21 Lakhs out of which the company has invested in 1,98,368 units in security receipts at a face value of ₹ 1000/- each. As at March 31, 2026, gross carrying amount of SRs is ₹ 1,824.20 lakhs, impairment loss allowance on SR is ₹ 241.98 lakhs and net carrying amount of SR is ₹ 1,582.22 lakhs, classified as stage-3 investments.



Protium Finance Limited

Notes to the Standalone Financial Statements

f. Details of ratings on Security Receipts outstanding as on March 31, 2026 as given below

Rating	Trust name	Rating agency	Recovery Rating	Gross Value of outstanding security receipts
BWR RR1	ASREC PS 01/2025-26	BRICKWORK ratings	More than 100% and upto 150%	908.32
BWR RR1	ASREC PS 03/2025-26	BRICKWORK ratings	More than 100% and upto 150%	915.88

* Recovery rating is as assigned by external rating agency

** Pursuant to the Reserve Bank of India circular RBI/Dor/2025-26/374 Dor.FIN.REC.No293/26.03.001/2025-26 under the Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025, dated November 28, 2025, as amended, the ARC shall obtain initial rating of security receipts from an approved credit rating agency within a period of six months from the date aquisition of assets by it.

g. Details of stressed loans including special mention account transferred during the year ended March 31, 2025

Particulars	To permitted transferees
No. of accounts	30,187
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	5,210.96
Weighted Average Residual Tenor of Loans sold (in years)	0.06
Net book value of loans transferred (at the time of transfer)	-
Aggregate consideration (₹ in lakhs)	165.68
Additional consideration realized in respect of accounts transferred in earlier years	-

h. Details of stressed loans acquired during the year ended March 31, 2026

Nil

i. Details of stressed loans acquired during the year ended March 31, 2025

Particulars	From Bank/ NBFC
Aggregate principal outstanding of loans acquired	4,280.74
Aggregate consideration paid	42.43
Weighted average residual tenor of loans acquired	1.16

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53. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring as on March 31, 2026:-

(₹ in lakhs)

Sr. No.	Type of Restructuring		Others			
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 01, 2025 (opening figures)	No. of borrowers	-	3	-	-
		Amount outstanding	-	128.75	-	-
		Provision there-on	-	39.49	-	-
2	Fresh Restructuring during the period	No. of borrowers	-	5	-	-
		Amount outstanding	-	528.40	-	-
		Provision there-on	-	55.06	-	-
3	Upgradations to restructured standard category during the period	No. of borrowers	(1)	-	-	-
		Amount outstanding	(14.26)	-	-	-
		Provision there-on	(9.98)	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	(2)	-	-	-
		Amount outstanding	(114.49)	-	-	-
		Provision there-on	(29.51)	-	-	-
5	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision there-on	-	-	-	-
6	Write-offs of restructured accounts during the period **	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision there-on	-	-	-	-
7	Restructured Accounts as on March 31, 2026 (closing figures)*	No. of borrowers	-	5	-	-
		Amount outstanding	-	528.30	-	-
		Provision there-on	-	55.06	-	-

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring as on March 31, 2025:-

(₹ in lakhs)

Sr. No.	Type of Restructuring		Others			
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 01, 2024 (opening figures)	No. of borrowers	-	1.00	-	-
		Amount outstanding	-	25.73	-	-
		Provision there-on	-	16.72	-	-
2	Fresh Restructuring during the period	No. of borrowers	-	3	-	-
		Amount outstanding	-	141.43	-	-
		Provision there-on	-	45.90	-	-
3	Upgradations to restructured standard category during the period	No. of borrowers	-	(1.00)	-	-
		Amount outstanding	-	(31.55)	-	-
		Provision there-on	-	(7.28)	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	(1)	-	-	-
		Amount outstanding	(25.73)	-	-	-
		Provision there-on	(16.72)	-	-	-
5	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision there-on	-	-	-	-
6	Write-offs of restructured accounts during the period **	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision there-on	-	-	-	-
7	Restructured Accounts as on March 31, 2025 (closing figures)*	No. of borrowers	-	3	-	-
		Amount outstanding	-	128.75	-	-
		Provision there-on	-	39.49	-	-

* The outstanding amount and number of borrowers as at March 31, 2026 and March 31, 2025 are after considering recoveries during the year.

** Partial repayments in existing restructured accounts are disclosed under "Write-offs of restructured accounts".

For the purpose of arithmetical accuracy as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 movement in provisions in the existing restructured account as compared to opening balance is disclosed under write-off/sale/recovery/ (for any change in provision) during the year.

Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.



Protium Finance Limited

Notes to the Standalone Financial Statements

54. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

Disclosure relating to securitisation

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	5	11
2	Total amount of securitised assets as per books of the SPEs	7,845.99	23,745.64
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	3,252.95	6,950.91
	a) Off-balance sheet exposures	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	• First loss	1,801.43	3,634.26
	• Others	1,451.52	3,316.65
4	Amount of exposures to securitisation transactions other than MRR	412.73	456.73
	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	412.73	456.73
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation*	-	8,800.63
6	Form and quantum (outstanding value) of services provided by way of liquidity support, post-securitisation asset servicing, etc.	Post Securitization Asset Servicing: Rs. 7,845.99 Service Fees - Rs. 1 Lakh Liquidity Support (First Loss FD)- Rs. 1,801.43 Lakh	Post securitization asset Servicing: Rs. 23,745.64 Service fees - Rs. 1 Lakh per transaction
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Opening outstanding	3,634.26	4,345.83
	(b) Cumulative amount paid during the year	-	582.36
	(c) Cumulative repayment received during the year	1,832.83	1,293.93
	(d) Outstanding amount	1,801.43	3,634.26
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	1.91%	1.48%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	There is no Investor Complaints received Dircetly / In-Dircetly. Also, Complaints Outstanding is NIL.	There is no investor complaints received directly / in-directly. Also, complaints outstanding is NIL.

* There is no gain/loss on sale on account of securitisation



55. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

Comparison between provisions required under IRACP & impairment allowances made under IND AS 109
As at March 31, 2026

(₹ in lakhs)

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	5,03,985.52	4,916.32	4,99,069.20	2,015.94	2,900.38
	Stage 2	7,836.48	2,061.97	5,774.51	31.35	2,030.62
	Stage 3	-	-	-	-	-
Subtotal		5,11,822.00	6,978.29	5,04,843.71	2,047.29	4,931.01
Non-performing assets (NPA)						
Substandard	Stage 1	-	-	-	-	-
Substandard	Stage 2*	1,196.42	250.92	945.50	119.64	131.28
Substandard	Stage 3	8,814.24	3,390.71	5,423.53	881.42	2,509.29
Doubtful - up to 1 year	Stage-2	7.07	1.48	5.59	1.41	0.07
Doubtful - up to 1 year	Stage-3	2,066.33	543.11	1,523.22	413.27	129.84
Doubtful - 1 to 3 years	Stage 3	131.41	39.68	91.73	39.42	0.26
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		12,215.47	4,225.90	7,989.57	1,455.17	2,770.73
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	23,254.00	71.40	23,182.60	-	71.40
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		23,254.00	71.40	23,182.60	-	71.40
Total	Stage 1	5,27,239.52	4,987.72	5,22,251.80	2,015.94	2,971.78
	Stage 2	9,039.97	2,314.37	6,725.60	152.40	2,161.97
	Stage 3	11,011.98	3,973.50	7,038.48	1,334.11	2,639.39
		5,47,291.47	11,275.59	5,36,015.88	3,502.46	7,773.14

Excluding Loans transferred to Asset Reconstruction Companies during the year ended March 31, 2026 in consideration of Security Receipts in accordance with RBI Circular Reserve Bank of India Circular RBI/DOR/2025-26/359DOR.ACC.REC.No.278/21.04.018/2025-26 under the Reserve Bank of India (Non-Banking Financial Companies - Financial Statement Presentation and Disclosure) Directions 2025, as amended, dated November 28, 2025 on Transfer of Loan Exposures, Refer Note no. 9 for Investments.

The Company categorised loans with Days Past Due ('DPD') more than 90 days as Stage 3.

* Stage-2 under Substandard represents assets which had been Non-Performing Assets ('NPA') in the past but yet to be fully normalized (zero DPD) though it has moved to below 90 days past due as of the balance sheet date and continues to be classified as NPA in accordance with the RBI directions.

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at March 31, 2026, no amount is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage-3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

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Protium Finance Limited

Notes to the Standalone Financial Statements

As at March 31, 2025

As at March 31, 2025						
Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	4,14,710.68	3,307.58	4,11,403.09	1,658.84	1,648.74
	Stage 2	8,631.01	2,243.64	6,387.37	34.52	2,209.11
	Stage 3	-	-	-	-	-
Subtotal		4,23,341.69	5,551.22	4,17,790.47	1,693.37	3,857.85
Non-performing assets (NPA)						
Substandard	Stage 1	-	-	-	-	-
Substandard	Stage 2	-	-	-	-	-
Substandard	Stage 3	9,192.97	3,617.95	5,575.02	915.05	2,702.89
Doubtful - up to 1 year	Stage-2	-	-	-	-	-
Doubtful - up to 1 year	Stage-3	1,157.55	308.90	848.65	231.51	77.39
Doubtful - 1 to 3 years	Stage 3	133.88	39.70	94.19	40.17	(0.47)
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		10,484.41	3,966.55	6,517.86	1,186.73	2,779.82
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	19,321.13	41.68	19,279.45	-	41.68
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		19,321.13	41.68	19,279.45	-	41.68
Total	Stage 1	4,34,031.81	3,349.26	4,30,682.54	1,658.84	1,690.42
	Stage 2	8,631.01	2,243.64	6,387.37	34.52	2,209.11
	Stage 3	10,484.41	3,966.55	6,517.86	1,186.73	2,779.82
		4,53,147.22	9,559.45	4,43,587.78	2,880.10	6,679.35

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at March 31, 2025, no amount is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage-3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

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Protium Finance Limited

Notes to the Standalone Financial Statements

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025

Schedule to the Balance Sheet

Liabilities side :

56.1 Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:

Particulars	(₹ in lakhs)			
	Outstanding Amount as at March 31, 2026	Overdue Amount as at March 31, 2026	Outstanding Amount as at March 31, 2025	Overdue Amount as at March 31, 2025
(a) Debentures :				
- Secured	-	-	2,517.94	-
- Unsecured	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans	3,05,132.87	-	3,08,280.54	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Other Loans				
i. Pass through certificates – securitization	4,375.41	-	17,512.50	-
ii. External commercial borrowings	64,814.00	-	49,976.56	-
iii. Cash credit from bank	10,902.44	-	1,900.03	-

Assets side :

56.2 Break-up of loans and advances including bills receivables :

Particulars	(₹ in lakhs)	
	Outstanding Amount as at March 31, 2026	Outstanding Amount as at March 31, 2025
(a) Secured	3,85,395.12	2,82,136.35
(b) Unsecured	1,38,643.17	1,51,647.31
TOTAL	5,24,038.29	4,33,783.66

Loans and advances (net of provisions for Non performing asset) includes Loans, Finance Lease, Tax receivables and other advances

56.3 Break-up of leased assets and stock on hire and other assets counting towards operational activities

Particulars	(₹ in lakhs)	
	Outstanding Amount as at March 31, 2026	Outstanding Amount as at March 31, 2025
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(iii) Other loans		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-



56.4 Break-up of investments

Particulars	(₹ in lakhs)	
	Outstanding Amount as at March 31, 2026	Outstanding Amount as at March 31, 2025
Current investments :	-	-
1. Quoted :	-	-
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	1,505.28	8,643.91
(iv) Government securities	8,884.94	12,920.22
(v) Others	-	-
2. Unquoted :	-	-
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	20,752.45	11,537.38
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	10,347.62
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	103.18	99.26
2. Unquoted :	-	-
(i) Shares : (a) Equity	761.00	761.00
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	2,882.12	8,132.09

56.5 Borrower group-wise classification of assets financed as in (2) and (3) above :

Particulars	(₹ in lakhs)		
	Amount net of provisions		Total as on March 31, 2026
	Secured	Unsecured	
1. Related parties	-	-	-
(a) Subsidiaries	-	200.74	200.74
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,80,427.20	1,32,133.95	5,12,561.15
Total	3,80,427.20	1,32,334.69	5,12,761.89

Particulars	(₹ in lakhs)		
	Amount net of provisions		Total as on March 31, 2025
	Secured	Unsecured	
1. Related parties	-	-	-
(a) Subsidiaries	-	360.50	360.50
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	2,78,599.94	1,45,263.77	4,23,863.71
Total	2,78,599.94	1,45,624.27	4,24,224.21



56.6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Particulars	As at March 31, 2026		As at March 31, 2025	
	Market value / break up or fair value or NAV	Book value (Net of provisions)	Market value / break up or fair value or NAV	Book value (Net of provisions)
1. Related parties				
(a) Subsidiaries	761.00	761.00	761.00	761.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	33,864.13	33,864.13	51,666.75	51,666.75
Total	34,625.13	34,625.13	52,427.75	52,427.75

56.7 Other information

Particulars	As at March 31, 2026		As at March 31, 2025	
(i) Gross Non-Performing Assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	12,215.47		10,484.41	
(ii) Net Non-Performing Assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	7,989.57		6,517.86	
(iii) Assets acquired in satisfaction of debt	-	-	-	-

57 The related party disclosures pursuant to scale based regulations disclosure guidelines issued by RBI has been disclosed in note 46.

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Protium Finance Limited

Notes to the Standalone Financial Statements

58. There are no prior period items which are impacting Company's current year Profit and Loss.

59. Expenditure in foreign currency

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Processing fees on borrowings	92.81	184.21
Membership & subscription charges	4.53	10.94
Total	97.34	195.15

60. There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

61. Utilisation of Borrowed funds and share premium :

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 and makes investments. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

The Company has not advanced or loaned or invested funds (either borrowed funds or any other sources or kind of funds) to any other persons or entities (Intermediaries) with the understanding that the Intermediary shall-

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has not received any fund from any persons or entities (Funding Party) with the understanding that the company shall

- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

62. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025

63. Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

64. Events occurring after balance sheet date - There have been no events after the reporting date that require adjustment in these financial statements.

65. Willful defaulter:

The Company is not a declared willful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2026 and March 31, 2025.

66. Title Deeds of Immovable Properties not held in the name of the Company

The Company does not hold any immovable property as on March 31, 2026 and March 31, 2025. All the lease agreements are duly executed in favor of the Company for properties where the Company is the lessee.

67. The Company has no pending charges or satisfaction of charges, which are required to be registered with Registrar of Companies (ROC).

68. Daily back up: Proper books of account as required by law have been kept by the Company. Back-up of the books of account and papers maintained in electronic mode is maintained on servers physically located in India on a daily basis, except in case of three applications (used for vendor management and expense processing, human resource management and payroll record maintenance and processing) which are operated by third party service providers, the management is not in possession of an appropriate Service Organization Controls report to determine whether the back-up of books was maintained on servers physically located in India on a daily basis.

Audit trail: The Company uses accounting software which are the General ledger system, Loan origination system, Loan management system, Human resource management system, Payroll processing system, Vendor management and Expense processing system for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that for:

- a. General ledger system – audit trail feature has not been enabled;
- b. Loan origination system and Loan management system – audit trail has not been enabled at database level; and
- c. Vendor management and expense processing system, Human resource management system and Payroll processing system (operated by third party service providers) – appropriate Service Organization Controls report not available to determine whether audit trail feature has been enabled and has operated throughout the year.

Further, there has been no instance of audit trail feature being tampered with wherever it has been enabled. Additionally, the audit trail of prior years and current year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.



Protium Finance Limited

Notes to the Standalone Financial Statements

69. The Company has not given any loans against intangible securities during the year ended March 31, 2026 and March 31, 2025. Accordingly, there are no outstanding loans against intangible securities as at the respective reporting dates.
70. The Company operates only in India. Hence, the disclosure relating to area of operation is not applicable.
71. There have been no instances where revenue recognition has been postponed pending the resolution of significant uncertainties.
72. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
73. The Company has made no drawdown from its existing reserves.
74. The Company has off-balance sheet exposures or structured products as at March 31, 2026 (₹ in lakhs 23,254.48) and March 31, 2025 (₹ in lakhs 19,321.13).
75. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
76. The company has not entered into any scheme of arrangement.
77. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
78. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004



per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: May 05, 2026

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

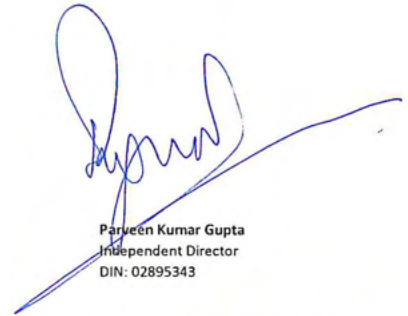


Peeyush Misra
Managing Director & CEO
DIN: 08422699



Amit Gupta
Chief Financial Officer

Place: Mumbai
Date: May 05, 2026



Parveen Kumar Gupta
Independent Director
DIN: 02895343



Anshu Mohta
Company Secretary
Membership No: A18287

Place: Mumbai
Date: May 05, 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Protium Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Protium Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in

accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies) 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except that, for the accounting software used by the Holding Company and its subsidiaries for payroll and vendor record maintenance and processing (operated by third-party software service providers), we have not been able to obtain sufficient and appropriate audit evidence that the backup of books maintained in electronic mode was maintained on servers physically located in India on a daily basis, as explained in note 58 to the consolidated financial statements, and the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- (g) With respect to the adequacy of the internal financial controls, with reference to the consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, based on our audit, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India, during the year ended March 31, 2026.
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 51 to the consolidated 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 51 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.
- vi. Based on our examination which included test checks, the Holding Company and its subsidiaries have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software except that, in respect of a software used for general ledger, the audit trail was not enabled, and in respect of software used for loan origination and loan management, the audit trail feature for direct changes to database was not enabled or did not capture the requisite attributes. Also, in respect of the software operated by third-party service providers for payroll and vendor record maintenance and processing, in the absence of an appropriate Service Organization Controls report, we are unable to comment on whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with, as described in note 58 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, where the audit trail was enabled. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 58 to the consolidated financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Lahoti
Partner

Membership Number: 132990

UDIN: 26132990GEEYTF2686

Mumbai

May 05, 2026

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Consolidated Financial Statements of Protium Finance Limited

In terms of the information and explanations sought by us and given by the Holding Company and its subsidiaries and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the qualifications or adverse remarks in the reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

Sr. No.	Name	CIN	Holding company/ Subsidiary/ associate	Clause number of the CARO report which is unfavorable or adverse
1	Protium Finance Limited	U65999MH2019PLC32329 3	Holding Company	3(iii)(c)
2	Protium Business Services Private Limited	U72900MH2021PTC35612 8	Subsidiary Company	3(xvii)

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Lahoti

Partner

Membership Number: 132990

UDIN: 26132990GEEYTF2686

Mumbai

May 05, 2026

Annexure 2 referred to in paragraph 2(g) under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors’ Report of even date on the Consolidated Financial Statements of Protium Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of Protium Finance Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Lahoti

Partner

Membership Number: 132990

UDIN: 26132990GEEYTF2686

Mumbai

May 05, 2026

Protium Finance Limited

Consolidated Balance Sheet as at March 31, 2026

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
Financial assets			
Cash and cash equivalents	4	50,171.86	84,680.62
Bank balances other than cash and cash equivalents	5	20,117.68	41,955.82
Derivative financial instrument	13	9,595.42	41.52
Trade receivables	6	1,048.45	1,026.95
Loans	7	512,220.67	423,566.82
Investments	8	33,864.14	51,666.76
Other financial assets	9	48,534.97	35,857.12
Total financial asset		675,553.19	638,795.61
Non-financial assets			
Current tax assets (net)	33	323.38	658.67
Property plant and equipment	10	3,210.12	2,307.82
Intangible assets under development	11	118.09	87.55
Intangible assets	11	2,659.27	3,207.53
Other non-financial assets	12	4,093.82	4,314.83
Total non-financial assets		10,404.68	10,576.40
Total assets		685,957.87	649,372.01
Liabilities			
Financial liabilities			
Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		534.59	347.32
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,322.77	479.96
Debt securities	15	-	2,517.94
Borrowings (other than debt securities)	16	385,224.72	377,669.69
Other financial liabilities	17	22,665.35	10,824.81
Total financial liabilities		409,747.43	391,839.72
Non-financial liabilities			
Provisions	18	870.66	547.99
Deferred tax liabilities (net)	19	8,348.79	6,609.68
Other non-financial liabilities	20	2,156.79	4,037.43
Total non-financial liabilities		11,376.24	11,195.10
Equity			
Equity share capital	21	14,604.96	14,569.21
Other equity	22	250,229.24	231,767.98
Total Equity		264,834.20	246,337.19
Total liabilities and equity		685,957.87	649,372.01
Material accounting policies	1-3		
See accompanying notes forming part of the Consolidated financial statement	4-68		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Amit Lahoti

per Amit Lahoti
Partner
Membership No. 132990



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

Peeyush Misra

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Parveen Kumar Gupta

Parveen Kumar Gupta
Independent Director
DIN: 02895343



Amit Gupta

Amit Gupta
Chief Financial Officer

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Protium Finance Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

		(₹ in lakhs)	
Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	23	87,751.73	69,346.55
Fees and commission income	24	10,096.87	9,430.15
Net gain/(loss) on fair value changes	25	877.31	533.11
Net gain on derecognition of financial instruments	26	26,163.11	25,391.32
Total revenue from operations		124,889.02	104,701.13
Other income	27	411.87	661.78
Total income		125,300.89	105,362.91
Expenses			
Finance cost	28	39,655.47	30,444.24
Impairment of financial instruments	29	18,246.23	13,002.22
Employee benefits expenses	30	28,182.23	24,891.88
Depreciation and amortisation expenses	31	3,498.67	3,176.78
Other expenses	32	12,669.29	11,253.17
Total expenses		102,251.89	82,768.29
Profit before tax		23,049.00	22,594.62
Tax expenses:			
Adjustment to tax relating to earlier periods	33	(0.86)	(329.78)
Current tax		4,250.53	2,790.15
Deferred tax		1,602.16	3,010.37
Profit after tax		17,197.17	17,123.88
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(135.88)	(52.10)
(ii) Income Tax impact thereon		34.20	13.11
Subtotal (a)		(101.68)	(38.99)
(i) Items that will be reclassified to profit or loss			
- The effective portion of gain / (loss) on hedging instruments		664.57	(968.76)
- The effective portion of gain / (loss) on loans - OCI		15.38	(223.15)
(ii) Income Tax impact thereon		(171.14)	300.00
Subtotal (b)		508.81	(891.91)
Other comprehensive income net of tax (a + b)		407.13	(930.89)
Total comprehensive income for the year		17,604.30	16,192.99
Profit for the period/year attributable to:			
Owner of the company		17,197.17	17,123.88
Non-controlling interest		-	-
Other Comprehensive Income (OCI) for the year attributable to:			
Owner of the company		407.13	(930.89)
Non-controlling interest		-	-
Total Comprehensive income for the year attributable to:			
Owner of the company		17,604.30	16,192.99
Non-controlling interest		-	-
Earnings per equity share (nominal value of share: ₹10 (Previous year: ₹10))			
Basic (₹)	34	11.79	11.78
Diluted (₹)	34	11.74	11.74
Material accounting policies	1-3		
See accompanying notes forming part of the Consolidated financial statement	4-68		

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

Amit Lahoti

per Amit Lahoti

Partner

Membership No. 132990



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

Peggyush Misra

Peggyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Amit Gupta
Chief Financial Officer

Parveen Kumar Gupta
Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Protium Finance Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	23,049.00	22,594.62
Adjustments:		
Depreciation and amortization	3,498.67	3,176.78
(Gain)/Loss on sale of property, plant and equipment	(1.82)	17.11
Impairment on financial instrument	18,246.23	13,002.22
Net gain on fair value changes	(50.59)	(198.70)
Share based payment expense	299.24	825.46
Operating cash flows before working capital changes	45,040.73	39,417.49
Changes in working capital		
Increase in loans	(106,392.47)	(113,201.53)
Increase in trade receivables	(114.23)	(57.84)
Increase in other financial assets	(12,841.38)	(12,146.91)
(Increase)/Decrease in other non-financial assets	221.01	(2,309.47)
Increase in provision	35.54	6.22
Decrease in lease liability	(1,786.51)	(1,387.49)
(Decrease)/Increase in Trade payables	1,030.08	(1,570.87)
(Decrease)/Increase in Other financial liabilities	10,663.32	(2,952.23)
(Decrease)/Increase in Other non-financial liabilities	(1,729.39)	962.30
Cash generated from operations	(65,873.31)	(93,240.33)
Income taxes paid	(3,914.38)	(1,700.46)
Net cash generated from / (used in) operating activities (A)	(69,787.69)	(94,940.79)
Cash flows from investing activities		
Purchase of property, plant and equipment	(289.38)	(340.69)
Disposal of property, plant and equipment	5.97	134.27
Addition of intangible assets including intangible under development	(620.11)	(1,122.21)
Sale of investments	276,108.00	109,610.16
Purchase of investments	(258,504.89)	(134,941.38)
Net Proceeds/(purchase) from redemption of fixed deposits with banks	21,838.14	513.31
Net cash generated from / (used in) investing activities (B)	38,537.72	(26,146.54)
Cash flows from financing activities		
Repayment of debt securities	(2,517.94)	(7,475.00)
Proceeds from borrowings (other than debt securities)	372,777.43	261,542.09
Repayment of borrowings (other than debt securities)	(374,111.73)	(139,234.93)
Proceeds from issuance of equity share capital	593.33	912.69
Share issuance expenses	0.12	-
Net cash generated from / (used in) financing activities (C)	(3,258.79)	115,744.85
Net decrease in cash and cash equivalents (A + B + C)	(34,508.75)	(5,342.48)
Cash and cash equivalents at the beginning of the year	84,680.62	90,023.10
Cash and cash equivalents at the end of the year	50,171.86	84,680.62
Reconciliation of Cash and cash equivalents with the balance sheet		
Cash on hand	-	-
Balances with banks		
- in current accounts	37,611.51	28,897.67
Deposits with original maturity of less than three months	12,560.35	55,782.95
Cash and cash equivalents in cash flow statement	50,171.86	84,680.62



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Protium Finance Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2026

1) Net cash generated from operating activity is determined after adjusting the following

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest received	78,822.84	57,456.31
Interest paid	37,696.00	28,893.45

2) Changes in liability arising from financing activities :-

(A) Changes in capital and asset structure

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities

(₹ in lakhs)

Particulars	As at April 01, 2025	Cash flows	Change in fair value	Other	As at March 31, 2026
Debt securities	2,517.94	(2,517.94)	-	-	-
Borrowings (other than debt securities)	377,669.63	(2,881.99)	10,437.08	-	385,224.72
Total	380,187.57	(5,399.93)	10,437.08	-	385,224.72

Particulars	As at April 01, 2024	Cash flows	Change in fair value	Other	As at March 31, 2025
Debt securities	10,592.30	(8,074.36)	-	-	2,517.94
Borrowings (other than debt securities)	253,717.86	122,906.46	1,045.31	-	377,669.63
Total	264,310.16	114,832.10	1,045.31	-	380,187.57

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

Amit Lahoti

per Amit Lahoti

Partner

Membership No. 132990



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

Peeyush Misra

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta

Amit Gupta
Chief Financial Officer

Parveen Kumar Gupta

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026



A. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	14,569.21	14,514.23
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	14,569.21	14,514.23
Changes in equity share capital during the year	35.75	54.98
Balance as at the end of the year	14,604.96	14,569.21

Refer note 21 for details

B. Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2025	198,929.53	7,275.62	935.22	25,507.57	(166.98)	(751.14)	231,767.98
Profit for the year	-	-	-	17,197.17	-	-	17,197.17
Other comprehensive income (net of tax)	-	-	-	(101.68)	11.51	497.30	407.13
Total Comprehensive Income	-	-	-	17,095.49	11.51	497.30	17,604.30
Issue of equity instruments	771.12	-	-	-	-	-	771.12
Share issue expenses	(0.12)	-	-	-	-	-	(0.12)
Transfer to statutory reserve	-	3,470.66	-	(3,470.66)	-	-	-
Transfer on account of vested options lapsed	-	-	(15.82)	-	-	-	-
Share based payment during the year	-	-	85.95	-	-	-	85.95
Balance as at March 31, 2026	199,700.53	10,746.28	1,005.35	39,132.40	(155.47)	(253.84)	250,229.24

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 01, 2024	197,780.10	3,855.49	439.66	11,842.75	-	(26.22)	213,891.78
Profit for the year	-	-	-	17,123.88	-	-	17,123.88
Other comprehensive income (net of tax)	-	-	-	(38.99)	(166.98)	(724.92)	(930.89)
Total Comprehensive Income	-	-	-	17,084.89	(166.98)	(724.92)	16,192.99
Issue of equity instruments	1,149.01	-	-	-	-	-	1,149.01
Transfer to statutory reserve	-	3,420.13	-	(3,420.13)	-	-	-
Transfer on account of vested options lapsed	-	-	(38.17)	-	-	-	-
Transfer on account of stock options exercised	0.42	-	(0.42)	-	-	-	-
Share based payment during the year	-	-	534.15	-	-	-	534.15
Balance as at March 31, 2025	198,929.53	7,275.62	935.22	25,507.57	(166.98)	(751.14)	231,767.98

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

For and on behalf of the Board of Directors of
Protium Finance Limited.

per Amit Lahoti
Partner
Membership No. 132990



Peeyush Misra
Managing Director & CEO
DIN: 08422699

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Amit Gupta
Chief Financial Officer

Anshu Mohla
Company Secretary
Membership No.: A18287



Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Place: Mumbai
Date: 5 May 2026

Protium Finance Limited

Notes to the Consolidated Financial Statements

1. Corporate information:

Protium Finance Limited (the "Company") was incorporated on March 29, 2019 vide CIN no U65999MH2019PLC323293 as Growth Source Financial Technologies Private Limited. The Company was registered as Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company together with its subsidiary - Protium Business Services Private Limited and Shibui Technologies Private Limited (collectively, the Group) is primarily engaged in lending activities. The Group is primarily engaged in the business of lending secured and unsecured loans in SME, MSME and Consumer Finance Segments. The registered office of the parent Company is located at Nirlon Knowledge Park (NKP) B2, 7th Floor, Pahadi, Village, Off. Western Express Highway, Goregaon (E), Mumbai, Mumbai City, Maharashtra, India, 400063. Under the scale based regulation ("SBR") the company is categorized as middle layer (NBFC-ML).

The audited Consolidated financial statements were approved by Board of Directors on May 5, 2026.

2. Material accounting policy information

2.1 Basis of preparation :

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in 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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of lakhs with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

2.2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards. Any guidance / clarifications / notifications issued by the Reserve Bank of India (RBI) are implemented as and when issued / made applicable.

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 recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the group/ or its counterparties

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (Protium Business Services Private Limited and Shibui Technologies Private Limited) as at 31 March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidated financial statements present assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries as those of a single economic entity. In preparing these consolidated financial statements, below key consolidation procedures are followed:



Notes to the Consolidated Financial Statements

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, assets, liabilities, equity, income, expenses and cash flows of subsidiaries are based on the amounts of the assets and liabilities determined as per the Business Combination policy and recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the former subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying Amount of any non-controlling interests at the Date when control is lost. This includes any components of OCI attributable to them.
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises a distribution if the transaction, event, or circumstances that resulted in the loss of control involves a distribution of shares in the subsidiary to owners in their capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind AS. Such reclassification/ transfer is decided on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.
- Recognises any surplus or deficit in profit or loss

These consolidated financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency.

Revenue recognition

2.4 Interest income:

The group 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 Group calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the statement of profit and loss at initial recognition.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses)

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

2.5 Recognition of other income:

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Group. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

- Step 1: Identify contract(s) with a customer;
- Step 2: Identify performance obligations in the contract(s);
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract(s);
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

2.6 Fees and commission income :

Fees and commission income includes Fees and commission charges other than those that are an integral part of EIR . The group recognises the other fee and commission income under the terms and conditions of the relevant contract /agreement.

2.7 Income on derecognised (assigned) loans :

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

2.8 Net gain on fair value changes :

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net



Notes to the Consolidated Financial Statements

2.9 Expenditures :

(i) Finance costs

Borrowing costs on financial liabilities are recognized using the EIR [refer note no. 2.4].

(ii) Fees and commission expense

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

(iii) Other expenses

Expenses are recognized on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

2.10 Financial instruments :

Initial Recognition & Measurement

2.10.1 Date of recognition

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are measured at amortised cost, unless otherwise specified. All financial instruments are recognized on the date when the Group becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Group recognises the financial instruments on settlement date.

2.10.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.10.3 Day 1 profit and loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

Subsequent Measurement

2.10.4 Classification & measurement categories of financial assets and liabilities

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Group's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;

(iii) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test Subsequent to the assessment to the relevant business model of the financial assets, the Group assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

Initial measurement of financial instruments The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The changes in carrying value of financial assets is recognized in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognized in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Group measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognized in Profit and loss account.



Notes to the Consolidated Financial Statements

2.11 Financial assets and liabilities :

2.11.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2.11.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

2.11.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

2.11.4 Loan commitment

Undrawn loan commitments are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

2.11.5 Financial liabilities and equity instruments

Financial instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

2.12 Reclassification of financial assets:

The Group changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

2.13 Derivative financial instruments :

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Group are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognized at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each reporting date. The resulting gains/losses are recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Group designates its CCIRS derivatives as cash flow hedges of a recognized liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



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Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

2.14 Derecognition of financial Instruments :

2.14.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either

- The Group has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group 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.

2.14.2 Derecognition of financial liabilities

A financial liability is derecognized 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, including modified contractual cash flow recognized as new financial liability, is recognized in statement of profit and loss.

2.15 Impairment of financial assets :

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

Simplified approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss (ECL) at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Group chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the customer, and other relevant forward-looking information.



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Group categorises its financial assets as follows:

Stage 1 assets

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 2 assets

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 3 assets:

Stage 3 Assets are considered credit-impaired and the Group recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or Originated Credit Impaired (POCI) assets

Assets are considered credit-impaired and the Group recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

2.16 Collateral valuation:

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis/annual basis.

To the extent possible, the group uses active market data for valuing financial assets held as collateral.

2.17 Write-offs:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities result in impairment gains and are credited to statement of profit and loss.

2.18 Forborne and modified loan :

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

2.19 Determination of fair value :

The Group measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair value measurement under Ind AS 113 are categorised into level 1 , 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety ,which are as follows :

Level 1 Inputs

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 Inputs

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data for substantially the full term of the asset or liability.



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Level 3 Inputs

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

2.20 Retirement and other employee benefits :

2.20.1 Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognized in the period in which the employee renders the related service.

2.20.2 Post-employment employee benefits :

(i) Defined benefit plans

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized 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 recognized 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, attrition 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.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Group, into an entity, or fund from which the employee benefits are paid. The Group is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Group.

(ii) Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group contributes into following schemes under defined contribution plans:

Superannuation

Defined contribution to superannuation fund is made as per the scheme of the Group.

Provident fund

Each eligible employee and the Group make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Group recognises contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Group has no further obligations under the plan beyond its periodic contributions.

Employees state insurance

The Group contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(iii) Compensated absences

Privilege leave entitlements are recognized as a liability as per the rules of the Group. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognized using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

Remeasurements on defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

2.21 Share based payments

The Group carries out fair value cost assessment of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Group is recognized as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest because of non fulfillment of service conditions. Service conditions are not taken into account while determining the grant date fair value of options, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.



Notes to the Consolidated Financial Statements

2.22 Leases :

The Group's leases primarily consists of leases for Building and office premises .The group assesses whether a contract contains a lease , at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from the use of the asset through out the period of lease and (iii) the group has the right to direct the use of asset.

Measurement and recognition

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of use asset is already reduced to zero.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Group as a lessee:

For any new contracts entered into on or after April 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract is or contains lease.

2.23 Earnings per share :

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.24 Impairment of non-financial assets :

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

2.25 Provisions and other contingent liabilities:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

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Protium Finance Limited

Notes to the Consolidated Financial Statements

2.26 Income tax expenses :

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The group has opted for lower rate of tax under section 115BAA @ 22% plus surcharge of 10% and cess of 4%. Effective tax rate being 25.17%.

2.26.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.27 Goods and Service tax input credit :

Goods and Services tax input credit is accounted for in the books for the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.28 Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

2.29 Property, plant and Equipment :

Recognition and measurement

Property, plant and equipment (PPE) is recognized when it is probable that the future economic benefits associated with it will flow to the group and the cost can be measured reliably.

PPE are stated at cost 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. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Group	Useful life as per schedule II of the Companies Act, 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Servers and networks	5 years	6 years

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.



Notes to the Consolidated Financial Statements

2.30 Intangible assets :

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Amortisation

Intangible assets are amortised using the straight line method over a period of 5 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

2.31 Foreign currency translation :

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss or Other Comprehensive Income as permitted under the relevant Ind AS.

3. Critical accounting judgement and key source of estimate uncertainties

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. 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 years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

3.1 Business model assessment :-

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

- (i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- (ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed.
- (iii) The expected frequency, value and timing of sales are also essential aspects of the Group's assessment.

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassesses its business model at each reporting period to determine whether the business model has changed since the previous period.

Based on this assessment and future business plans of the Group, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

3.2 Effective interest rate (EIR) method :

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.



Notes to the Consolidated Financial Statements

3.3 Impairment of financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of correlation between macroeconomic scenarios and, economic inputs, such as GDP levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.4 Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.5 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

3.6 Provisions, contingent liabilities and contingent assets :

Provisions are recognized when

- Group has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets :

Contingent assets are not recognized in the financial statements. Contingent asset are disclosed where an inflow of economic benefits is probable.

3.7 Provisions for income taxes :

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

3.8 Standards notified but not yet effective :

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt these amendments to the standards, when they become effective.

(i) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver - granted before the financial statements were approved for issue - of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant - whether material or immaterial - occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.



Notes to the Consolidated Financial Statements

3.9 Recent accounting pronouncements

The Group has applied certain new standards and amendments for the first time, which are effective for annual periods beginning on or after April 01, 2025. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

(a) Lack of Exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs has notified amendments to Ind AS 21, *The Effects of Changes in Foreign Exchange Rates*, which specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. These amendments also require disclosure of information that enables users of the financial statements to understand how a currency not being exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 21 does not have a material impact on the Group's Consolidated Financial Statements.

(b) Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants – Amendments to Ind AS 1

The Ministry of Corporate Affairs has notified amendments to paragraphs 69 to 76 of Ind AS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- i) What is meant by a right to defer settlement;
- ii) That a right to defer must exist at the end of the reporting period;
- iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees after the reporting period but before the financial statements are approved for issue not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 1 does not have a material impact on the Group's Consolidated Financial Statements.

(c) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

The Ministry of Corporate Affairs has notified amendments to Ind AS 7, *Statement of Cash Flows*, and Ind AS 107, *Financial Instruments: Disclosures*, to clarify the characteristics of supplier finance arrangements and require additional disclosures regarding such arrangements. These disclosure requirements are intended to assist users of the financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 7 and Ind AS 107 does not have a material impact on the Group's Consolidated Financial Statements.

(d) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

The Ministry of Corporate Affairs has notified amendments to Ind AS 12, *Income Taxes*, in response to the OECD's BEPS Pillar Two rules. These amendments include:

- i) A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- ii) Additional disclosure requirements to help users of the financial statements understand an entity's exposure to Pillar Two income taxes arising from the legislation, particularly prior to its effective date.
- iii) The mandatory temporary exception applies immediately and must be disclosed. The remaining disclosure requirements apply for annual reporting periods beginning on or after April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of Ind AS 12 does not have a material impact on the Group's Consolidated Financial Statements.

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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "4"

Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	-	-
Balance with banks		
Current accounts	37,611.51	28,897.67
Bank deposits with original maturity of less than or equal to three	12,560.35	55,782.95
Total	50,171.86	84,680.62

Note "5"

Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months	20,117.68	41,955.82
Total	20,117.68	41,955.82

Note: Bank deposits include deposits under lien aggregating to Rs. 1,801.43 lakhs (March 31, 2025: Rs. 4,091.10 lakhs) in respect of liabilities arising from securitisation transactions, and Rs. 11,516.53 lakhs (March 31, 2025: Rs. 2,001.13 lakhs) in respect of liabilities arising from overdraft facilities.

Note "6"

Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	1,136.57	1,022.34
Receivables which have significant increase in credit risk	43.30	43.30
Receivables - credit impaired	-	-
Total	1,179.87	1,065.64
Less: Impairment Loss Allowance	(131.42)	(38.69)
Total	1,048.45	1,026.95

Trade receivables ageing:

As at March 31, 2026

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	-	-	-	-	-	-	-
Receivables considered good - Unsecured	557.31	474.44	74.00	30.82	-	-	1,136.57
Receivables which have significant increase in credit risk	-	-	-	-	43.30	-	43.30
Receivables - credit impaired	-	-	-	-	-	-	-
Total	557.31	474.44	74.00	30.82	43.30	-	1,179.87
Less: Impairment Loss Allowance							(131.42)
Total							1,048.45

As at March 31, 2025

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	-	-	-	-	-	-	-
Receivables considered good - Unsecured	573.02	439.65	9.67	-	-	-	1,022.34
Receivables which have significant increase in credit risk	-	-	-	43.30	-	-	43.30
Receivables - credit impaired	-	-	-	-	-	-	-
Total	573.02	439.65	9.67	43.30	-	-	1,065.64
Less: Impairment Loss Allowance							(38.69)
Total							1,026.95

6.1 No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

6.2 No trade receivables are due from related parties.

6.3 Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

6.4 All the receivables due from the debtors are within the credit period.

6.5 The receivable is 'unbilled' because the Company has not yet issued an invoice. However, the balance has been included under trade receivables (as opposed to contract assets) because the Company has an unconditional right to consideration.

6.6 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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Protium Finance Limited

Notes to the Consolidated Financial Statements
Note "7"

Loans

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Loan portfolio		
at amortised cost		
(i) Term loans	374,115.45	343,498.22
at fair value through OCI		
(i) Term loans	149,381.62	89,628.05
Total gross loans	523,497.07	433,126.27
Less : Impairment loss allowance		
at amortised cost	(10,131.36)	(9,058.98)
at fair value through OCI	(1,145.04)	(500.47)
Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total net loans	512,220.67	423,566.82
(B) Of the above		
(i) Secured against land, building & machinery	385,054.64	280,679.12
(ii) Unsecured	138,442.43	152,447.15
Total gross loans	523,497.07	433,126.27
Less : Impairment loss allowance	(11,276.40)	(9,559.45)
Less : Impairment loss allowance		
(i) Secured against land, building & machinery	(4,967.92)	(3,537.86)
(ii) Unsecured	(6,308.48)	(6,021.59)
Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total Net Loans	512,220.67	423,566.82
(C) Of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	523,497.07	433,126.27
Total gross loans	523,497.07	433,126.27
Less : Impairment loss allowance		
(i) Public Sector	-	-
(ii) Others	(11,276.40)	(9,559.45)
Less: Total Impairment loss allowance	(11,276.40)	(9,559.45)
Total Net Loans	512,220.67	423,566.82
Total net loans (a)	512,220.67	423,566.82
Loans outside India (b)	-	-
Total net loans (a) + (b)	512,220.67	423,566.82

Refer to note 42 for stagewise movement of loans and ECL.

7.1 Collateral :

Loans granted by the Group are secured by any or all of the following as applicable, based on their categorisation:

- Equitable / registered mortgage of property.
- Undertaking to create a security.

7.2 The Group has provided no loans in current year to promoters, directors, KMPs and the related parties other than as mentioned in RPT (refer - Note no. 45)

7.3 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU) amounting to Rs. 81,263.09 Lakhs (March 31, 2025 Rs. 59,790.64 lakhs). Secured loans include machinery loans amounting to Rs. 22,347.27 lakhs, which are covered under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme.

7.4 There were no loans given against the collateral of gold jewellery & hence the percentage of such loans to the total outstanding assets (as at March 31, 2025 is Nil).

7.5 In accordance with its accounting policy for business model assessment, the Group has designated certain loans originated from October 1, 2024 at fair value through other comprehensive income ("FVOCI"), which will be held within a business model whose objective will be achieved by both holding these loans to collect contractual cashflows and to sell.

7.6 The Company has not lent any loans during the year ended March 31, 2026 and year ended March 31, 2025 for project finance activities nor has any outstanding balance as at March 31, 2026 and March 31, 2025.

7.7 The Company has not provided any non fund based credit facilities during the year ended March 31, 2026 and year ended March 31, 2025, nor has any outstanding balance as at March 31, 2026 and March 31, 2025.

7.8 Secured loans are hypothecated against land, building and plant & machinery.



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "8"

Investments

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Debentures	20,752.46	11,537.38
Investment in Government Securities	8,884.94	12,920.22
Investment in Mutual Funds	1,505.28	8,643.91
Investment in ULIP	103.18	99.26
Investment in CP	-	10,347.62
Investment in security receipts	1,824.20	-
Others	-	-
Investment in PTC's	1,057.92	8,132.09
Gross total Investments	34,127.98	51,680.48
Less: Impairment loss Allowance	(263.84)	(13.73)
Net total Investments	33,864.14	51,666.76

Investments

As at 31 March 2026

Particulars	At Amortised Cost	At Fair Value				Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal	
Investment in Debentures	20,752.46	-	-	-	-	20,752.46
Investment in Commercial Papers	-	-	-	-	-	-
Investment in Pass Through Certificates	1,057.92	-	-	-	-	1,057.92
Investment in Government Securities	8,884.94	-	-	-	-	8,884.94
Investment in Mutual Funds	-	-	-	1,505.28	1,505.28	1,505.28
Investment in Security Receipts	-	-	-	-	-	-
89,236 Security receipts under ASREC PS 01/2025-26 at face value Rs. 1,000/- each	908.32	-	-	-	-	908.32
91,588 Security receipts under ASREC PS 03/2025-26 at face value Rs. 1,000/- each	915.88	-	-	-	-	915.88
Investment in ULIP	-	-	-	103.18	103.18	103.18
Total (A)	32,519.52	-	-	1,608.46	1,608.46	34,127.98
Investment outside India	-	-	-	-	-	-
Investment in India	32,519.52	-	-	1,608.46	1,608.46	34,127.98
Total (B)	32,519.52	-	-	1,608.46	1,608.46	34,127.98
Less: Impairment loss Allowance (C)	(263.84)	-	-	-	-	(263.84)
Total (D= A-C)	32,255.68	-	-	1,608.46	1,608.46	33,864.14

As at 31 March 2025

Particulars	At Amortised Cost	At Fair Value				Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal	
Investment in Debentures	11,537.38	-	-	-	-	11,537.38
Investment in Commercial Papers	10,347.62	-	-	-	-	10,347.62
Investment in Pass Through Certificates	8,132.09	-	-	-	-	8,132.09
Investment in Government Securities	12,920.22	-	-	-	-	12,920.22
Investment in Mutual Funds	-	-	8,643.91	-	8,643.91	8,643.91
Investment in ULIP	-	-	99.26	-	99.26	99.26
Total (A)	42,937.31	-	8,743.17	-	8,743.17	51,680.48
Investment outside India	-	-	-	-	-	-
Investment in India	42,937.31	-	8,743.17	-	8,743.17	51,680.48
Total (B)	42,937.31	-	8,743.17	-	8,743.17	51,680.48
Less: Impairment loss Allowance (C)	(13.73)	-	-	-	-	(13.73)
Total (D= A-C)	42,923.58	-	8,743.17	-	8,743.17	51,666.76

8.1 Stagewise breakup of investments

(₹ in lakhs)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage - 1	Stage - 2	Stage - 3	Total	Stage - 1	Stage - 2	Stage - 3	Total
Investment in Debentures	20,752.46	-	-	20,752.46	11,537.38	-	-	11,537.38
Investment in Government Securities	8,884.94	-	-	8,884.94	12,920.22	-	-	12,920.22
Investment in Mutual Funds	1,505.28	-	-	1,505.28	8,643.91	-	-	8,643.91
Investment in ULIP	103.18	-	-	103.18	99.26	-	-	99.26
Investment in Commercial Papers	-	-	-	-	10,347.62	-	-	10,347.62
Investment in Security Receipts	-	-	1,824.20	1,824.20	-	-	-	-
Investment in PTC's	1,057.92	-	-	1,057.92	8,132.09	-	-	8,132.09
Total	32,303.78	-	1,824.20	34,127.98	51,680.48	-	-	51,680.48

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Notes to the Consolidated Financial Statements

8.2 Stagewise breakup of ECL on Investments

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage - 1	Stage - 2	Stage - 3	Total	Stage - 1	Stage - 2	Stage - 3	Total
Investment in Debentures	21.41	-	-	21.41	3.73	-	-	3.73
Investment in Government Securities	-	-	-	-	2.90	-	-	2.90
Investment in Mutual Funds	-	-	-	-	-	-	-	-
Investment in ULIP	-	-	-	-	-	-	-	-
Investment in Commercial Papers	-	-	-	-	-	-	-	-
Investment in Security Receipts	-	-	241.98	241.98	-	-	-	-
Investment in PTC's	0.45	-	-	0.45	7.10	-	-	7.10
Total	21.86	-	241.98	263.84	13.73	-	-	13.73

Note "9"

Other financial assets

Particulars	As at	
	March 31, 2026	March 31, 2025
Security deposits	943.38	732.14
Receivable from assigned and colent portfolio*	41,969.33	33,927.46
Other receivable***	6,099.09	1,524.96
Total	49,011.80	36,184.56
Less: Impairment loss allowance**	(476.83)	(327.44)
Total Financial Assets	48,534.97	35,857.12

*With respect to assignment and co-lending deals, the Group has created an Excess Interest Spread (EIS) receivable with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value with necessary estimate and assumptions.

** Impairment loss allowance recognised on receivable from assigned and colent portfolio is Rs. 476.83 lakhs (Previous year: Rs. 327.44 lakhs)

*** Other Receivable includes receivable from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU).

Reconciliation of impairment loss allowance on other financial assets

Particulars	As at	
	March 31, 2026	March 31, 2025
Impairment loss allowance as at beginning of the year	327.44	129.39
Net increase/(decrease) during the year	149.39	198.05
Impairment loss allowance as at the end of the year	476.83	327.44

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Description	Gross Block			Depreciation			Net block	
	As at April 01, 2025	Additions	As at March 31, 2026	Disposal/ Adjustments	As at April 01, 2025	Depreciation for the year	As at April 01, 2025	As at March 31, 2026
Right of Use Assets	3,865.36	2,997.71	6,766.10	(96.97)	2,443.89	1,867.85	1,421.47	2,531.53
Leasehold Improvements	623.45	32.45	648.55	(7.35)	334.13	200.53	289.32	118.46
Furniture and fixtures	286.94	47.16	332.78	(1.32)	67.40	45.48	219.54	220.54
Office equipment	300.59	176.40	475.09	(1.90)	148.88	73.93	151.71	253.72
Computers	995.59	33.37	1,024.96	(4.00)	769.81	173.05	225.78	85.87
Total	6,071.93	3,287.09	9,247.48	(111.54)	3,764.11	2,360.84	2,307.82	3,210.12

Description	Gross Block			Depreciation			Net block	
	As at April 01, 2024	Additions	As at March 31, 2025	Disposal/ Adjustments	As at April 01, 2024	Depreciation for the year	As at April 01, 2024	As at March 31, 2025
Right of Use Assets	2,930.41	945.52	3,865.36	(10.57)	1,015.16	1,438.94	1,915.23	1,421.47
Leasehold Improvements	582.95	41.50	623.45	(1.00)	148.33	186.30	434.62	289.32
Furniture and fixtures	247.05	40.77	286.94	(0.88)	36.35	31.52	210.69	219.54
Office equipment	241.63	69.56	300.59	(10.60)	119.44	38.97	122.19	151.71
Computers	1,146.48	188.86	995.59	(339.75)	687.65	272.51	458.83	225.78
Total	5,148.52	1,286.21	6,071.93	(362.80)	2,006.93	1,968.24	3,141.56	2,307.82

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement

2. In none of the title deed mentioned above promoter, director, or relative of promoter / director or employee of promoter / director is holder of title deed

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Note "11"

Intangible assets and intangible assets under development

A) Intangible assets

Description	Gross Block			Amortization		Net block	
	As at April 01, 2025	Additions	Disposal/ Adjustments	As at March 31, 2026	As at April 01, 2025	As at March 31, 2026	As at April 01, 2025
Softwares	6,753.64	590.91	(1.34)	7,343.21	3,546.11	4,683.94	3,207.53
Total	6,753.65	590.91	(1.34)	7,343.21	3,546.11	4,683.94	3,207.53

As at March 31, 2025

Description	Gross Block			Amortization		Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025	As at April 01, 2024
Softwares	5,615.47	1,145.72	(7.55)	6,753.64	2,344.21	3,546.11	3,271.26
Total	5,615.48	1,145.72	(7.55)	6,753.64	2,344.21	3,546.11	3,271.26

B) Intangible assets under development

Description	As at	
	March 31, 2026	March 31, 2025
Intangible assets under development	118.09	87.55
Total	118.09	87.55

Schedule of ageing of completion of intangible assets under development :

(i) Particulars	As at March 31, 2026			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	43.86	74.23	-	-
Total				118.09

As at March 31, 2025

(i) Particulars	As at March 31, 2025			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	87.55	-	-	-
Total				87.55

Note: There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "12"

Other non-financial assets

Particulars	As at	
	March 31, 2026	March 31, 2025
GST input credit	1,847.18	2,550.43
Prepaid expenses	2,103.86	905.71
Salary Advance	5.51	18.56
Advances with others	24.51	374.70
Others	112.76	465.43
Total	4,093.82	4,314.83

Note "13"

Derivative financial instruments

As at March 31, 2026

Particulars	As at	
	March 31, 2026	March 31, 2025
Cash flow hedge		
Cross currency interest rate swaps	57,193.40	7,261.25
Foreign currency forward contract	44,100.00	2,334.17

As at March 31, 2025

Particulars	As at	
	March 31, 2026	March 31, 2025
Cash flow hedge		
Cross currency interest rate swaps	48,591.90	41.52
Foreign currency forward contract	28,500.00	-

Note : The Group has board approved policy for entering into derivative transactions.

Derivatives transactions comprise of cross currency interest rate swap and forward contract entered by the Company to hedge foreign currency borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer material accounting policy for derivative financial instruments.

Note "14"

Trade payables

Particulars	As at	
	March 31, 2026	March 31, 2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	534.59	347.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,322.77	479.96
Total	1,857.36	827.28

Details of dues to micro, medium and small enterprises

1) The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Group. This has been relied upon by the auditors.

2) There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2026 and March 31, 2025 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Disclosure pertaining to Micro and Small Enterprises are as under :

Particulars	As at	
	March 31, 2026	March 31, 2025
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	534.59	347.32
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	534.59	347.32

Trade payables ageing schedule :

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	224.84	46.34	263.41	-	-	534.59
(ii) Others	655.16	348.30	316.00	3.31	-	1,322.77
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	880.00	394.64	579.41	3.31	-	1,857.36

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.35	306.97	-	-	-	347.32
(ii) Others	47.54	429.80	2.62	-	-	479.96
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	87.89	736.77	2.62	-	-	827.28

There are no dues payable to related parties.



Notes to the Consolidated Financial Statements

Note "15"

Debt securities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
(i) Secured		
Listed redeemable non convertible debentures	-	2,517.94
(ii) Unsecured	-	-
Total	-	2,517.94
B) Out of above		
Debt securities in India	-	2,517.94
Debt securities outside India	-	-
Total	-	2,517.94

Terms of repayment of Non Convertible Debentures (NCDs)

As at March 31, 2025

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2025 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
9.79% p.a.p.m. Protium Finance Limited	1.00	4/17/2023	2,517.94	9.79%	4/25/2025	Annual

*Balances as at March 31, 2025 is after considering the impact of unamortised processing fees Rs. 0.65 Lakhs

Nature of security :- Debentures are secured by hypothecation of specified term loan receivables

Refer Note 42 for disclosure pertaining to maturity analysis.

Note "16"

Borrowings (other than debt securities)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised cost		
(a) Term loans		
(i) From banks	257,637.97	243,384.03
(ii) From other parties	51,870.31	82,409.06
(b) External commercial borrowings	64,814.00	49,976.57
(c) Loans repayable on demand		
Bank overdraft	10,902.44	1,900.03
Total (a + b + c)	385,224.72	377,669.69
Borrowings in India	320,410.72	327,693.12
Borrowings outside India	64,814.00	49,976.57
Total	385,224.72	377,669.69
Secured borrowings	385,224.72	377,669.69
Unsecured borrowings	-	-
Total	385,224.72	377,669.69

Notes :

- a. The group has availed of the facilities (secured borrowings) from the lenders and these loans are secured by an exclusive first charge by way of hypothecation of identified books debts and receivables.
b. Quarterly returns or statements of book debts and receivables filed by the group with banks, financial institutions and trustee are in agreement with the book of accounts.

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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note 16(a)(i) Term loan from bank : Secured

As at March 31, 2026

(₹ in lakhs)

As at 31st March 2024			
Repayment Term	Interest range	Residual tenure	Amount
Monthly	7.94% - 9.25%	Upto 1 Year	4,060.98
		1 to 3 Years	13,351.45
		3 to 5 Years	19,940.48
		5 to 7 Years	-
Quarterly	7.09% - 10%	Upto 1 Year	5,464.46
		1 to 3 Years	52,265.97
		3 to 5 Years	139,316.36
		5 to 7 Years	25,000.00
Add: Interest accrued			62.10
Less: EIR impact			(1,823.83)
Total			257,637.97

As at March 31, 2025

(₹ in lakhs)

As at March 31, 2023

(₹ in lakhs)

Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.14% - 11%	Upto 1 Year	5,373.48
		1 to 3 Years	34,081.95
		3 to 5 Years	21,904.99
		5 to 7 Years	23,511.90
Quarterly	8.09% - 11.00%	Upto 1 Year	5,080.16
		1 to 3 Years	55,745.57
		3 to 5 Years	79,728.86
		5 to 7 Years	19,584.00
Add: Interest accrued			332.75
Less: EIR impact			(1,959.67)
Total			243,383.99

Nature of security

Term loan from bank is secured by hypothecation of specified term loan receivables

Note 16(a)(ii) Secured term loan from other parties

a) Term loan from financial institutions : Secured

As at March 31, 2026

(₹ in lakhs)

Interest rate (in lakhs)			
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.75% - 9.40%*	1 to 3 Years	13,313.33
Quarterly	8.80% - 9.90%	Upto 1 Year	1,250.00
		1 to 3 Years	4,815.89
		3 to 5 Years	28,098.03
Add: Interest accrued			84.50
Less: EIR impact			(66.85)
Total			47,494.90

As at March 31, 2025

(₹ in lakhs)

As at March 31, 2023			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.50% - 10.40%*	Upto 1 Year	2,720.91
		1 to 3 Years	14,375.00
Quarterly	9.60% - 9.90%	1 to 3 Years	14,249.64
		3 to 5 Years	33,498.78
Add: Interest accrued			108.07
Less: EIR impact			(55.85)
Total			64,896.55

Nature of security

Term Loan from financial institutions is secured by hypothecation of specified term loan receivables



Protium Finance Limited

Notes to the Consolidated Financial Statements

b) Term Loans - PTC : Secured

As at March 31, 2026

(₹ in lakhs)

As at March 31, 2020		(in lakhs)	
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.30% - 9.10%*	Upto 1 Year	-
		1 to 3 Years	899.02
		3 to 5 Years	-
		5 to 7 Years	61.84
		7 to 10 Years	2,953.96
		10 to 12 Years	466.51
Add: Interest accrued			19.10
Less: EIR impact			(25.02)
Total			4,375.41

As at March 31, 2025

(₹ in lakhs)

AS at March 31, 2023

Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.50% - 9.25%*	Upto 1 Year	237.87
		1 to 3 Years	4,676.60
		3 to 5 Years	1,063.10
		5 to 7 Years	-
		7 to 10 Years	7,422.16
		10 to 12 Years	4,143.47
Add: Interest accrued			71.19
Less: EIR impact			(101.89)
Total			17,512.50

* Pertains to liabilities arising out of securitizations

Nature of security

PTC is secured by hypothecation of specified term loan receivables, FDs as well as Other receivable

Note 16(b) External commercial borrowings : Secured

As at March 31, 2026

(₹ in lakhs)

As at March 31, 2020		(in lakhs)	
Repayment Term	Interest range	Residual tenure	Amount
Bullet and Annually	9.03% - 10.14%	1 to 3 Years	31,235.92
		3 to 5 Years	33,129.01
Add: Interest accrued			740.50
Less: EIR impact			(291.43)
Total			64,814.00

As at March 31, 2025

(₹ in lakhs)

Repayment Term		Interest range	Residual tenure	Amount
Bullet and Annually	9.52% - 10.14%		1 to 3 Years	28,241.86
			3 to 5 Years	21,395.35
Add: Interest accrued				733.80
Less: EIR impact				(394.45)
Total				49,976.56

Nature of security

ECB is secured by hypothecation of specified term loan receivables

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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note 16(c) Bank overdraft : Secured

As at March 31, 2026

(₹ in lakhs)

Repayment Term	Interest range	Residual tenure	Amount
Bullet	7.25%	Upto 1 Year	10,900.00
Add: Interest accrued			3.12
Less: EIR impact			(0.68)
Total			10,902.44

As at March 31, 2025

(₹ in lakhs)

Repayment Term	Interest range	Residual tenure	Amount
Bullet	6.25%	Upto 1 Year	1,900.03
Add: Interest accrued			-
Less: EIR impact			-
Total			1,900.03

Nature of security

Bank overdraft is secured by hypothecation of specified term loan receivables.

Breach of Security

There is no breach of covenant of loan availed or debt securities issued.

The Company has not defaulted in repayments of borrowings (other than Debt securities) and interest thereon for the year ended March 31, 2026 and March 31, 2025.

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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "17"

Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note no.44)	2,691.66	1,514.41
Accrued expenses	4,013.97	4,153.58
Payable towards assigned and colent portfolio	11,799.65	4,840.28
Other payables	4,160.07	316.54
Total	22,665.35	10,824.81

Note "18"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity	777.69	490.56
Compensated absences	92.97	57.43
Total	870.66	547.99

Note "19"

Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset	(3,209.36)	(2,823.24)
Deferred tax liabilities	11,558.16	9,432.91
Deferred tax liabilities net (refer note no. 33)	8,348.79	6,609.68

Note "20"

Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory liabilities	1,259.54	1,275.22
Advance from customers	897.25	2,762.21
Total	2,156.79	4,037.43



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "21"

Equity share capital

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
Authorized share capital				
Equity shares of ₹ 10 each	156,009,300	15,600.93	156,009,300	15,600.93
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	146,049,568	14,604.96	145,692,141	14,569.21
Total	146,049,568	14,604.96	145,692,141	14,569.21

(a)(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
Equity shares				
At the commencement of the year	145,692,141	14,569.21	145,142,330	14,514.23
Issued during the year	357,427	35.75	549,811	54.98
At the end of the year	146,049,568	14,604.96	145,692,141	14,569.21

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has single class equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and Holding Company share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Upon show of hands, every member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Holding Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
Consilience Capital Management	144,144,759	14,414.48	144,144,759	14,414.48

(d) Details of shareholder(s) holding more than 5% of equity shares in the group

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Consilience Capital Management	144,144,759	98.70%	144,144,759	98.94%

(e) There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during the year ended March 31, 2026 and March 31, 2025.

(f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment during the year ended March 31, 2026 and March 31, 2025.

(g) Equity shares held by Promoters

Shares held by promoters at the end of the year		As at March 31, 2026		As at March 31, 2025		% Change during the year
S. No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Consilience Capital Management	144,144,759	98.70%	144,144,759	98.94%	-0.24%



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "22"

Other equity

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium account ¹	199,700.53	198,929.53
Share based payment reserve ²	1,005.35	935.22
Statutory reserve (created under Section 45-IC of the RBI Act, 1934) ³	10,746.28	7,275.62
Retained earnings ⁴	39,132.41	25,507.57
General reserve ⁵	53.99	38.17
Cash flow hedge reserve ⁶	(409.32)	(918.14)
Total	250,229.24	231,767.98

1) Securities premium:

Share premium is credited when shares are issued at premium and with the fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme. Share premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under the Companies Act, 2013.

2) Share based payment reserve

Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the company.

3) Statutory reserve (created under Section 45-IC of the RBI Act, 1934)

Statutory reserve is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934 by the Holding Company.

4) Retained earnings

Retained earnings represents the surplus in profit and loss account and net amount of appropriations made to/from retained earnings. The Group recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

5) General reserve

The reserve can be distributed/ utilized by the Company, in accordance with The Companies Act, 2013.

6) Cash flow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "23"

Interest Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial assets measured at amortized cost		
Interest Income on Loans	62,535.46	55,890.30
Interest Income from Investments	2,524.87	2,367.06
Interest on fixed deposits with banks	4,080.53	7,184.67
On financial assets measured at fair value through OCI		
Interest income on loans	18,610.87	3,904.52
Total	87,751.73	69,346.55

Note "24"

Fees and commission Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and commission Income	7,540.04	7,020.56
Facilitation Fees	2,556.83	2,409.59
Total	10,096.87	9,430.15

24.1 Geographical markets

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	10,096.87	9,430.15
Outside India	-	-
Total	10,096.87	9,430.15

24.2 Timing of revenue recognition

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Services transferred at a point in time	10,096.87	9,274.21
Services transferred over time	-	155.94
Total	10,096.87	9,430.15

24.3 Reconciliation of revenue recognised with contract price

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contract with customers	10,096.87	9,274.21
Adjustments	-	-
Total	10,096.87	9,274.21

24.4 Contract balances

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables	557.31	573.02
Total	557.31	573.02

Note "25"

Net gain/(loss) on fair value changes

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	877.31	533.11
Fair value changes:		
- Realised	867.69	386.08
- Unrealised	9.62	147.03
Total	877.31	533.11



Notes to the Consolidated Financial Statements

Note "26"

Net gain on derecognition of financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net Gain on derecognition of financial instruments under amortised cost category	11,298.77	22,038.68
Fair value through other comprehensive income	14,864.34	3,352.64
Total	26,163.11	25,391.32

Note "27"

Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on sale / scrap of fixed assets	1.82	-
Others*	410.05	661.78
Total	411.87	661.78

*Includes interest on income tax refund, interest income on security deposit etc.

Note "28"

Finance Cost

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial liabilities measured at amortized cost		
Interest on borrowings other than debt securities	39,216.27	29,602.79
Interest on debt securities	16.77	550.14
Interest on lease liabilities	325.44	203.48
Other finance cost	96.99	87.83
Total	39,655.47	30,444.24

Note "29"

Impairment of financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments measured at amortized cost		
Impairment on financial assets	2,209.47	4,496.55
Loans written off	11,908.15	6,994.82
Loss on Foreclosure of Loans	4,128.61	1,510.85
Total	18,246.23	13,002.22

Note "30"

Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	25,880.52	22,367.93
Contribution to and provision for : Provident and other funds	872.39	789.01
Gratuity fund (refer note no. 37)	204.31	143.23
Compensated Leave	0.16	(4.18)
Share based payment (refer note no. 38)	299.24	825.46
ESIC Employer Contribution	41.18	21.98
Staff welfare expenses	884.43	748.45
Total	28,182.23	24,891.88



Notes to the Consolidated Financial Statements

Note "31"

Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	2,360.84	1,968.24
Amortisation on intangible assets	1,137.83	1,208.54
Total	3,498.67	3,176.78

Note "32"

Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loan application processing cost	3,298.19	3,332.09
IT expenses	2,075.94	1,674.44
Insurance	1,205.96	1,332.08
Travelling and conveyance	1,334.45	1,196.71
Legal and professional charges	1,078.29	875.35
Collection Charges	1,606.63	743.04
Office Expenses	637.66	501.53
Business promotion expenses	163.28	227.43
Rent and maintenance	4.61	184.55
Director's fees, allowances, and expenses	188.57	186.57
Electricity charges	182.71	185.13
Corporate Social Responsibility	167.82	183.54
Auditor fees and expenses	192.58	162.14
Printing and stationery	181.82	127.01
Postage and courier	128.20	77.44
Bank Charges	29.56	63.24
Communication Costs	56.45	59.70
Repairs and maintenance	46.19	47.88
Membership & Subscription	48.05	42.73
Loss on Sale / Scrap of Fixed Assets	-	17.11
Other expenses	39.13	31.04
Brokerage & Commission	3.20	2.42
Total	12,669.29	11,253.17

Payment to auditors includes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) For Statutory audit	120.51	96.85
b) For limited review	37.95	32.70
c) For taxation matters	8.03	6.54
d) For other services (certificates)	26.09	21.80
e) For reimbursement of expenses	-	4.25
Total	192.58	162.14



Protium Finance Limited

Notes to the Consolidated Financial Statements

33 Tax Expenses

33.1 Reconciliation of total tax charge

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	4,250.53	2,790.15
Adjustment to tax relating to earlier periods	(0.86)	(329.78)
Deferred tax	1,602.16	3,010.37
Total income tax expenses recognised in the current year	5,851.83	5,470.74
Income tax expense recognised in other comprehensive income	(136.94)	313.12
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	23,049.00	22,594.62
Income tax rate	25.17%	25.17%
Income tax expense	5,801.43	5,687.07
Tax effect of:		
Effect of Ind AS adjustments (net)	(5,564.64)	(4,231.45)
Impairment of Loans	547.08	1,131.64
Expenses allowed under Income Tax Act, 1961	(1,077.43)	(1,509.51)
Disallowances under Income Tax Act, 1961	6,145.39	4,392.99
Income tax expense recognised in profit and loss	5,851.83	5,470.74

33.2 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

As at March 31, 2026 (₹ in lakhs)

Particulars	Opening balances as on April 01, 2025	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2026
Deferred tax asset				
Impairment of financial instruments	2,501.68	523.06	-	3,024.74
Disallowances under section 43B of the Income Tax Act, 1961	21.55	-	34.21	55.76
Fair valuation of derivative financial instrument	300.00	-	(171.14)	128.86
Total Deferred tax asset	2,823.24	523.06	(136.93)	3,209.36
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(9,432.87)	(2,251.01)	-	(11,683.88)
Difference between books and tax written down value of fixed assets	(0.05)	125.77	-	125.72
Total Deferred tax liabilities	(9,432.91)	(2,125.24)	-	(11,558.16)
Net Deferred tax liabilities	(6,609.68)	(1,602.19)	(136.93)	(8,348.79)

As at March 31, 2025 (₹ in lakhs)

Particulars	Opening balances as on April 01, 2024	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2025
Deferred tax asset				
Impairment of financial instruments	1,369.95	1,131.74	-	2,501.68
Disallowances under section 43B of the Income Tax Act, 1961	71.10	(62.66)	13.11	21.55
Fair valuation of derivative financial instrument	8.82	(8.82)	300.00	300.00
Total Deferred tax asset	1,449.86	1,060.26	313.12	2,823.24
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(5,113.91)	(4,318.95)	-	(9,432.87)
Difference between books and tax written down value of fixed assets	(248.36)	248.31	-	(0.05)
Total Deferred tax liabilities	(5,362.27)	(4,070.65)	-	(9,432.91)
Net Deferred tax liabilities	(3,912.41)	(3,010.39)	313.12	(6,609.68)



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "34"

Earnings per share ('EPS')

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Group with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

i. Profit attributable to equity shareholders:

Particulars	₹ in lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (loss) after tax as per Statement of Profit and Loss	17,197.17	17,123.88
Net profit attributable to equity shareholders for calculation of Basic EPS	17,197.17	17,123.88
Net profit adjusted for the effects of dilutive potential equity shares for calculation of Diluted EPS	17,197.17	17,123.88

ii. Weighted average number of Shares and Earnings per share (EPS)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	145,811,258	145,308,026
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	146,391,828	145,763,753
Face value per share	10	10
Effect of dilution:		
Employee stock options	580,570	455,727
Basic earnings per share (in ₹)	11.79	11.78
Diluted earnings per share (in ₹)	11.74	11.74



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35. Segment reporting

The Group operates in a single reportable operating segment of providing loans. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per Ind AS 108 on 'Segment Reporting'.

36. Contingent liability & commitment:

Particulars	[₹ in lakhs]	
	As at March 31, 2026	As at March 31, 2025
Contingent liability	-	-
Commitments	-	-
Estimated amount of contracts remaining to be executed on capital account	-	-
Undisbursed Loan commitments	23,254.48	19,321.13

Note:

- There are no pending litigations (including tax matters) against the Group.
- The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions (if any) required under any law / accounting standard / RBI regulation for material foreseeable losses on such long-term contracts has been made in the books of account.

37. Employee benefits:

In accordance terms of the Indian Accounting Standard 19 'Employee Benefits', the requisite disclosures are as follows:

i) Defined contribution plans:

The group recognized charges of INR 864.27 lakhs (March 31, 2025: INR 781.85 lakhs) for Provident fund contributions.

ii) Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Group is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Assumptions:		
Discount rate	5.72% - 7.14%	6.54% - 6.59%
Salary escalation rate	9% (5% for subsidiary)	5.00%
Rate of employee turnover	For service 4 years and below 40.00% (61.00% for subsidiary) p.a. & For service 5 years and above 2.00% p.a (8.00% for subsidiary)	For service 4 years and below 25.00% (61.00% for subsidiary) p.a. & For service 5 years and above 8.00% p.a
Actual :		
Present value of unfunded obligations (₹ in lakhs)	92.97	57.43
Expenses recognised in P&L (₹ in lakhs)	35.38	10.40

Discount rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

iii) Defined benefit gratuity plans:

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The Group recognized charges of INR 239.06 lakhs (March 31, 2025: INR 162.46 lakhs) for Gratuity Fund. The same is payable at the time of separation from the Group or retirement, whichever is earlier.

Assumptions	As at March 31, 2026	As at March 31, 2025
Discount rate	5.72% - 7.14%	6.54% - 6.59%
Salary escalation rate	9% (5% for subsidiary)	5.00%
Rate of return on plan assets	NA	NA
Rate of Employee Turnover	For service 4 years and below 40.00% (61.00% for subsidiary) p.a. & For service 5 years and above 2.00% p.a (8.00% for subsidiary)	For service 4 years and below 25.00% (61.00% for subsidiary)p.a. & For service 5 years and above 8.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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37. Employee benefit (continued)

Table showing change in the present value of projected benefit obligation (₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Benefit obligation at the beginning of the year (Unfunded)	490.56	282.40
Interest cost	35.00	20.25
Current service cost	186.94	142.21
Past Service Cost	17.12	-
Liability transferred out/ Divestment	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(207.84)	(14.28)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	235.20	23.42
Actuarial (Gains)/Losses on Obligations - Due to Experience	108.52	42.95
Benefits paid	(87.82)	(6.39)
Present value of obligation as at the end of the year (unfunded)	777.68	490.56

Amount recognized in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation at the end of the year	(777.68)	(490.57)
Fair value of plan assets at the end of the year	NA	NA
Funded Status (Deficit)	(777.68)	(490.57)
Net (liability)/asset recognized in the Balance Sheet	(777.68)	(490.57)

Expenses recognized in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	186.94	142.21
Net Interest cost	35.00	20.25
Past Service Cost	17.12	-
Amount included in employee benefit expenses	239.06	162.46

Expenses recognized in the Other comprehensive income (OCI)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial Losses on obligation for the year	135.88	52.10
Net (Income)/Expense for the year recognized in OCI	135.88	52.10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening net liability	490.56	282.40
Expenses recognized in Statement of Profit and Loss	239.06	162.46
Expenses recognized in OCI	135.88	52.10
Benefits paid	(87.82)	(6.39)
Net liability recognized in the Balance Sheet	777.68	490.56

Cash flow projection

Maturity analysis of the benefit payments: from the employer

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefits payable in future years from the date of reporting	-	-
1st Following Year	11.34	17.64
2nd Following Year	15.25	28.91
3rd Following Year	18.18	39.01
4th Following Year	20.23	44.51
5th Following Year	21.97	46.18
Sum of Years 6 to 10	181.21	219.83
Sum of Years 11 and above	2,663.98	587.90

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37. Employee benefit (continued)

Sensitivity analysis

Particulars	₹ in lakhs	
	As at March 31, 2026	As at March 31, 2025
Projected benefit obligation on current assumptions	777.68	490.56
Delta effect of +1% change in rate of discounting	(108.79)	(39.20)
Delta effect of -1% change in rate of discounting	133.99	45.29
Delta effect of +1% change in rate of salary increase	86.96	39.80
Delta effect of -1% change in rate of salary increase	(78.44)	(36.28)
Delta effect of +1% change in rate of employee turnover	(9.49)	(2.65)
Delta effect of -1% change in rate of employee turnover	9.31	1.87

Qualitative disclosures

Gratuity is a defined benefit plan and group is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

New labour codes: The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes. The Group has assessed the impact of these Codes based on the information available.

Based on such assessment, the impact on Employee Benefit Expense for the year ended March 31, 2026 is ₹17.11 Lakhs due to changes in the definition of wages under the new Labour Codes.



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Protium Finance Limited

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38. Employee stock option plan

In accordance with the resolution approved by the Shareholders on January 24, 2023, the Company has reserved share, for issue to employees through Protium Finance Employee Stock Option Plan I (ESOP Plan I). Under the terms of ESOP Plan I Group may issue stock option to the employees of the Group each of which is convertible into one equity share.

As on March 31, 2026

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15/Apr/23	166	1,397,335	-	187,416	280,707	-	929,212	596,217
15/May/23	166	700,320	-	87,681	76,720	-	535,919	213,385
1/Jan/25	166	81,324	-	30,120	-	-	51,204	25,602
1/Jan/25	480	874,632	-	272,042	-	-	602,590	160,451
31/Mar/25	480	41,667	-	-	-	-	41,667	10,417
Total		3,095,278	-	577,259	357,427	-	2,160,592	1,006,072

As on March 31, 2025

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15/Apr/23	166	2,018,072	-	120,482	500,255	-	1,397,335	308,816
15/May/23	166	922,274	-	172,398	49,556	-	700,320	149,955
1/Jan/25	166	-	81,324	-	-	-	81,324	-
1/Jan/25	480	-	874,632	-	-	-	874,632	-
31/Mar/25	480	-	41,667	-	-	-	41,667	-
Total		2,940,346	997,623	292,880	549,811	-	3,095,278	458,771

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Employee Type	Risk free interest rate	Expected life (In years)	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (Rs.)*	Options granted	Fair value of options (Rs.)	Weighted average residual life in years	Vesting Conditions	Vesting period (In years)
15-Apr-23	A1	7.05%	3.75	25.00%	0%	166	1,204,820	51.35	0.79	Time Based & Performance Based	3.00
15-Apr-23	A2	7.05%	4.25	25.00%	0%	166	481,927	55.58	1.29		3.00
15-Apr-23	A3	7.07%	5.00	24.00%	0%	166	331,325	60.64	2.04		4.00
15-May-23	S1 specified employee	6.96%	4.10	25.00%	0%	166	66,264	54.04	1.22		3.00
15-May-23	S2 specified employee	6.96%	4.70	25.00%	0%	166	150,600	58.91	1.82		4.00
15-May-23	S3 specified employee	6.96%	5.50	24.00%	0%	166	129,516	63.95	2.62		5.00
15-May-23	S1 Others	6.96%	4.50	24.00%	0%	166	308,429	56.33	1.62		4.00
15-May-23	S2 Others	6.96%	5.00	24.00%	0%	166	257,225	60.22	2.12		4.00
15-May-23	S3 Others	6.96%	5.50	24.00%	0%	166	103,612	63.95	2.62		5.00
1-Jan-25	2025/S1/166	6.63%	4.13	42.83%	0%	166	81,324	106.71	2.88	Performance Based	2.75
1-Jan-25	2025/S2/480	6.65%	4.81	44.85%	0%	480	245,466	48.68	3.57		3.75
1-Jan-25	2025/A1/480	6.65%	4.81	44.85%	0%	480	629,166	48.68	3.57		3.75
31-Mar-25	2025/A2/480	6.37%	4.56	43.83%	0%	480	41,667	43.19	3.56		3.50

1. The weighted average fair value of options granted during the year - Not applicable (31 March 2025: Rs 53.18).

2. For the year ended March 31, 2025, the Group has accounted expense of Rs 299.24 Lakhs as employee benefit expenses on the aforesaid employee stock option plan (March 31, 2025 Rs 825.46 Lakhs).

* Method of settlement - Equity settled ESOPs

3. The vesting of employee stock options is subject to time-based and/or performance-based, based on grant conditions. These conditions are applied as per the terms of individual grants.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

39. Expenditure towards corporate social responsibility as per section 135 of the companies Act, 2013 (read with schedule VII thereof)

a. Gross amount required to be spent by the Company during the year – Rs. 167.82 lakhs (Previous Year Rs. 174.61 lakhs).

b. The details of amount spent in respective year towards CSR as follows:

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Construction/ acquisition of asset:		
Amount required to be spent by the Group during the year	-	-
Shortfall of earlier year brought forward	-	-
Amount spent	-	-
Amount unpaid / provision/ Shortfall carried forward	-	-
On purpose other than above:		
Amount required to be spent by the Group during the year	167.82	174.61
Shortfall of earlier year brought forward	8.92	-
Amount spent	159.00	183.54
Amount unpaid / provision/ Shortfall/ (Excess) carried forward	(0.10)	(8.92)

Notes:

- The Company has contributed to various CSR initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. Contributions were made to CSR partners such as Cuddles Foundation, Akshara Foundation, Suryoday Foundation and Swadha Foundation. These partnerships focus on key areas such as healthcare, education, skill development and financial literacy. The Company has fully utilized the allocated CSR funds for the year. The excess amount of Rs 8.92 Lakhs of previous year has been set off in the current year.
- In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

40. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Maturity analysis of Asset & Liabilities

(a) The table below shows the maturity analysis of assets & liabilities according to when they are expected to be recovered or settled

(₹ in lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and Cash Equivalents	50,171.86	-	50,171.86	84,680.62	-	84,680.62
Bank balances other than cash and cash equivalents	18,405.26	1,712.42	20,117.68	41,955.82	-	41,955.82
Derivative financial instrument	6,046.28	3,549.14	9,595.42	-	41.52	41.52
Trade Receivables	952.09	96.36	1,048.45	854.99	171.96	1,026.95
Loans	129,228.97	382,991.70	512,220.67	109,020.20	314,546.62	423,566.82
Investments	26,926.21	6,937.95	33,864.16	48,677.96	2,988.80	51,666.76
Other Financial assets	17,178.37	31,357.30	48,535.67	12,921.76	22,935.36	35,857.12
Sub total	248,909.03	426,644.86	675,553.91	298,111.34	340,684.25	638,795.61
Non-financial assets						
Current tax assets (Net)	-	323.38	323.38	-	658.67	658.67
Property Plant and Equipment	-	3,210.12	3,210.12	-	2,307.82	2,307.82
Intangible Assets under development	-	118.09	118.09	-	87.55	87.55
Intangible Assets	-	2,659.27	2,659.27	-	3,207.53	3,207.53
Other Non Financial assets	1,988.77	2,103.86	4,092.63	3,405.85	905.69	4,311.54
Sub total	1,988.77	8,414.72	10,403.49	3,405.85	7,167.26	10,573.12
Total assets	250,897.80	435,059.57	685,957.40	301,517.20	347,851.51	649,368.72
LIABILITIES						
Financial liabilities						
Trade Payables	1,857.36	-	1,857.36	827.28	-	827.28
Debt Securities	-	-	-	2,517.94	-	2,517.94
Borrowings (Other than Debt Securities)	152,039.91	233,184.81	385,224.72	120,828.86	256,840.82	377,669.69
Other financial liabilities	21,218.44	1,446.91	22,665.35	10,298.40	526.41	10,824.81
Sub total	175,115.70	234,631.72	409,747.42	134,472.49	257,367.23	391,839.72
Non-financial liabilities						
Provisions	23.30	847.36	870.66	31.93	516.06	547.99
Deferred Tax Liabilities (net)	-	8,348.78	8,348.78	-	6,609.68	6,609.68
Other non-financial liabilities	2,156.24	-	2,156.24	3,843.12	191.02	4,034.14
Sub total			11,375.68			7,356.76
Total liabilities	175,115.70	234,631.72	421,123.11	138,347.54	264,684.00	403,031.53



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(b) Financing arrangement

The Group had access to the following undrawn borrowing facilities at the end of reporting period

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Undrawn backup lines	55,700.00	39,300.00

(c) Carrying amount of collateral given

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash and cash equivalent	-	-
Bank balances other than cash equivalent*	1,806.93	6,092.23
Investments	-	-
Loan and advances	375,329.70	418,245.96

* Including interest accrued and reinvested accrued interest of Rs 42.32 lakhs.

(d) Financial assets are transferred but not derecognised in their entirety :

(i) Securitisation

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Carrying amount of assets	8,077.06	23,745.64
Carrying amount of associated Liabilities	4,381.33	17,543.20
Fair value of assets (A)	7,660.01	22,925.46
fair value of associated Liabilities (B)	4,375.41	17,512.50
Net position at fair value(A-B)	3,284.60	5,412.96

(ii) Assignment and Colending

The Group has sold loans (measured at amortised cost and FVOCI) by way of direct bilateral assignment and colending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's balance sheet.

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.

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Carrying amount of de-recognised financial asset	257,347.75	226,760.35
Carrying amount of retained asset at amortised cost	49,438.26	52,411.66
Net gain on sale of the de-recognised financial asset at amortised cost	11,298.77	22,038.68
Net gain on sale of the de-recognised financial asset at FVOCI	14,864.34	3,352.64

(e) During the year, the Company has acquired loan portfolio from another NBFC, for a consideration of Rs. 98,702.18 lakhs (March 2025: Rs. 35,101.40 lakhs), recognised in the following stages / asset classification as per Ind AS 109:

(₹ in lakhs)		
Stage	FY 25-26	FY 24-25
Stage 1	98,702.18	34,909.78
Stage 2	-	149.19
Stage 3 (PoCI) *	-	42.43
Total	98,702.18	35,101.40

* Purchased or originated Credit Impaired Loans



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Protium Finance Limited

Notes to the Consolidated Financial Statements

41. Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator - Reserve Bank of India. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Group endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Group monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Group maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

Particulars	(₹ in lakhs)	
	As at March 31, 2026	As at March 31, 2025
Debt	385,224.72	380,187.63
Total Equity	264,834.20	246,337.19
Debt to Equity Ratio (in times)	1.45	1.54

(ii) Regulatory Capital

Particulars	(₹ in lakhs)	
	As at March 31, 2026	As at March 31, 2025
Tier I Capital	218,281.84	207,495.37
Tier II Capital	3,936.11	1,261.10
Total Capital	222,217.95	208,756.47
Total Risk weighted assets	574,204.40	456,981.07
Tier I CRAR	38.01%	45.41%
Tier II CRAR	0.69%	0.28%
Total CRAR	38.70%	45.68%



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42. Risk management framework

While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The risk committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The risk committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Group's risks are generally categorized in the following risk types:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Foreign currency risk

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables and Loans. The Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Group.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Financial assets measured on a collective basis

The group splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

Significant increase in credit risk

The group considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

Impairment assessment - Expected Credit Loss ("ECL")

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. Further, the borrower is retained in Stage 3 (credit-impaired) till all the overdue amounts are repaid i.e borrower becomes 0 days past due on its contractual payments.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Probability of default

PD is defined as "the probability of whether borrowers will default on their obligations in the future". Historical PD is derived from the internal data which is calibrated with forward-looking macroeconomic factors.

Loss given default

The credit risk assessment is based on a standardised LGD assessment framework that incorporates the probability of default and subsequent recoveries, discounted.

Current economic data and forward-looking economic forecasts and scenarios are used in order to determine the Ind AS 109 LGD rate. The Group uses own historical data and combines such data with inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios.

Credit quality of assets

i) The table below shows credit quality and maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of Impairment loss allowance.

(₹ in lakhs)

Sr No	Particulars	Count of Loans	Loss Allowance measured at 12 month ECL (Stage 1)	Loss Allowance measured at life time ECL	
				Financial Assets for which credit risk has increased significantly and credit not impaired (Stage2)	Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)
I	As on March 31, 2026				
	Estimated gross carrying amount at default				
	Accounts with no overdues	47,075.00	495,227.15	-	-
	Accounts with overdues	3,773.00	8,272.92	9,034.40	10,962.60
	Total gross carrying amount at default	50,848.00	503,500.07	9,034.40	10,962.60
	Expected credit Loss		(4,985.03)	(2,311.99)	(3,979.39)
	Carrying amount net of Impairment Provision		498,515.04	6,722.42	6,983.21
II	As on March 31, 2025				
	Estimated gross carrying amount at default				
	Accounts with no overdues	56,100.00	404,754.49	-	-
	Accounts with overdues	7,318.00	9,311.30	8,625.45	10,435.03
	Total gross carrying amount at default	63,418.00	414,065.80	8,625.45	10,435.03
	Expected credit Loss		(3,349.26)	(2,243.64)	(3,966.55)
	Carrying amount net of Impairment Provision		410,716.53	6,381.81	6,468.48

*Stage-3 loans do not include loans of Rs.1,203.49 lakhs where DPD as on March 31, 2026 was less than 90 but considered as NPA as per the extant RBI guidelines.



42. Risk management framework (continued)

ii.) An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans is as under:

Stage wise Loan Movement						
(₹ in lakhs)						
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PoCI*	Total
I	Gross Carrying amount as at March 31, 2024	319,724.13	3,511.19	5,402.71	-	328,638.03
	New Loans originated during the year	507,178.42	149.46	-	42.43	507,370.31
	-Transfers to Stage 1	635.37	(96.68)	(538.70)	-	-
	-Transfers to Stage 2	(7,387.97)	7,409.96	(21.99)	-	-
	-Transfers to Stage 3	(12,003.07)	(2,489.18)	14,492.25	-	-
	-Loans derecognised / transfer of Loans to SR during the year	(226,760.35)	-	-	-	(226,760.35)
	Written offs	-	-	(10,703.68)	(42.43)	(10,746.11)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(167,320.72)	140.69	1,804.44	-	(165,375.59)
II	Gross Carrying amount as at March 31, 2025	414,065.80	8,625.45	10,435.03	-	433,126.27
	New Loans originated during the year	569,746.41	-	-	-	569,746.41
	-Transfers to Stage 1	1,990.73	(1,416.15)	(574.58)	-	-
	-Transfers to Stage 2	(10,529.85)	10,626.81	(96.96)	-	(0.00)
	-Transfers to Stage 3	(18,225.95)	(4,902.33)	23,128.28	-	-
	-Loans derecognised / transfer of Loans to SR during the year	(257,348.51)	(639.76)	(5,426.99)	-	(263,415.26)
	Written offs	-	-	(16,307.46)	-	(16,307.46)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(196,198.56)	(3,259.61)	(194.72)	-	(199,652.89)
III	Gross Carrying amount as at March 31, 2026	503,500.07	9,034.40	10,962.60	-	523,497.07

No. of loan accounts with principal and / or interest overdue (including loans classified as Significant Increase in Credit Risk (SICR) and credit impaired) as at March 31, 2026 is (1,170 -stage 1) as at March 31, 2025 (1,811- stage 1) , as at March 31, 2026 (1,244 -stage 2), as at March 31, 2025 (2,120- stage 2) and as at March 31, 2026 (1,359 -stage 3), as at March 31, 2025 (3,387- stage 3). Loans that are more than 90 days past due as at the reporting date are classified as stage 3.

*Stage-3 loans do not include loans of Rs.1203.49 lakhs where DPD as on March 31, 2026 was less than 90 but considered as NPA as per the extant RBI guidelines.

Stage wise ECL Movement						
(₹ in lakhs)						
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PoCI*	Total
I	ECL allowance amount as at March 31, 2024	1,901.41	887.20	2,478.03	-	5,266.65
	New Loans originated during the year	6,511.25	30.19	-	42.43	6,583.88
	Transfers to Stage 1	144.36	(6.40)	(137.96)	-	-
	Transfers to Stage 2	(1,135.86)	1,141.35	(5.50)	-	-
	Transfers to Stage 3	(1,838.92)	(710.68)	2,549.59	-	-
	Loans derecognised / transfer of loans to SR during the year	(1,811.88)	-	-	-	(1,811.88)
	Written offs	-	-	(9,003.46)	(42.43)	(9,045.90)
	Impact on year end ECL of exposures transferred between stages during the year	886.93	1,654.27	11,506.53	-	14,047.73
	Matured or repaid during the year	(1,308.04)	(752.30)	(3,420.69)	-	(5,481.05)
II	ECL allowance amount as at March 31, 2025	3,349.26	2,243.64	3,966.55	-	9,559.45
	New Loans originated during the year	6,719.59	-	-	-	6,719.59
	Transfers to Stage 1	373.42	(196.47)	(176.95)	-	-
	Transfers to Stage 2	(907.08)	935.93	(28.86)	-	0.00
	Transfers to Stage 3	(1,161.53)	(1,551.61)	2,713.14	-	-
	Loans derecognised / transfer of loans to SR during the year	(2,936.90)	(12.51)	(8.85)	-	(2,958.25)
	Written offs	-	-	(3,427.57)	-	(3,427.57)
	Impact on year end ECL of exposures transferred between stages during the year	(360.12)	1,291.01	2,066.93	-	2,997.82
	Matured or repaid during the year	(91.62)	(398.00)	(1,125.00)	-	(1,614.63)
III	ECL allowance amount as at March 31, 2026	4,985.03	2,311.99	3,979.39	-	11,276.40

* Purchased or originated Credit Impaired Loans

iii) Analysis of risk concentration

The following table shows risk concentration of the Group's loans basis risk exposure into smaller homogeneous portfolios, based on shared credit risk characteristics as under:

(₹ in lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Carrying value of Loans		
Loan against property (LAP)	313,103.25	240,359.81
Business Loan	138,366.31	147,710.68
Loan against machinery	40,044.45	27,972.92
Corporate lending	31,971.99	13,605.95
Consumer loan	11.07	3,476.91
Total	523,497.07	433,126.27



42. Risk management framework (continued)

b) Liquidity risk

Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has arranged for diversified funding sources, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Maturity analysis of assets and liabilities

(` in lakhs)

As at March 31, 2026

Particulars	Carrying Amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	50,171.86	50,171.86	-	-	-	-
Bank balances other than cash and cash equivalents	20,117.68	1,309.82	11,047.81	6,047.63	1,712.42	-
Derivative financial instrument	9,595.42	2,334.16	-	3,712.11	3,549.14	-
Trade receivables	1,048.45	714.20	40.16	197.73	96.36	-
Loans	512,220.67	17,777.62	21,103.25	90,348.10	217,497.65	165,494.05
Investments	33,864.16	13,024.17	2,421.99	11,480.05	6,179.45	758.50
Other financial assets	48,535.67	1,672.96	3,489.35	12,016.06	27,671.05	3,686.25
Sub total	675,553.91	87,004.80	38,102.55	123,801.68	256,706.06	169,938.80
Non-financial assets						
Current tax assets (net)	323.38	-	-	-	323.38	-
Property plant and equipment	3,210.12	-	-	-	-	3,210.12
Intangible assets under development	118.09	-	-	-	-	118.09
Intangible assets	2,659.27	-	-	-	-	2,659.27
Other non-financial assets	4,092.63	518.56	764.49	705.72	-	2,103.86
Sub total	10,403.49	518.56	764.49	705.72	323.38	8,091.34
Total assets	685,957.40	87,523.36	38,867.05	124,507.40	257,029.44	178,030.14
LIABILITIES						
Financial liabilities						
Trade payables	1,857.36	1,282.35	575.01	-	-	-
Borrowings (other than debt securities)	385,224.72	16,615.08	22,415.92	113,008.91	232,945.56	239.25
Other financial liabilities	22,665.35	20,070.44	290.87	857.13	1,370.26	76.65
Sub total	409,747.42	37,967.87	23,281.80	113,866.04	234,315.82	315.90
Non-financial liabilities						
Provisions	870.66	1.68	-	21.62	108.58	738.78
Deferred tax liabilities (net)	8,348.78	-	-	-	-	8,348.78
Other non-financial liabilities	2,156.24	2,156.24	-	-	-	-
Sub total	11,375.68	2,157.92	-	21.62	108.58	9,087.55
Total liabilities	421,123.11	40,125.79	23,281.81	113,887.66	234,424.40	9,403.45



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Protium Finance Limited

Notes to the Consolidated Financial Statements
As at March 31, 2025

(₹ in lakhs)

Particulars	Carrying Amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	84,680.62	67,613.03	17,067.59	-	-	-
Bank balances other than cash and cash equivalents	41,955.82	31.34	22,770.53	19,153.95	-	-
Derivative financial instrument	41.52	-	-	-	41.52	-
Trade receivables	1,026.95	833.34	-	21.65	171.96	-
Loans	423,566.82	15,128.32	19,489.57	74,402.31	198,808.78	115,737.84
Investments	51,666.76	8,159.59	19,424.31	21,094.05	2,889.54	99.26
Other financial assets	35,857.12	732.51	2,674.46	9,514.79	19,703.34	3,232.02
Sub total	638,795.61	92,498.14	81,426.45	124,186.76	221,615.14	119,069.12
Non-financial assets						
Current tax assets (net)	658.67	-	-	-	658.65	0.02
Property plant and equipment	2,307.82	-	-	-	-	2,307.82
Intangible assets under development	87.55	-	-	-	-	87.55
Intangible assets	3,207.53	-	-	-	-	3,207.53
Other non-financial assets	4,311.54	1,227.61	763.45	1,414.80	-	905.69
Sub total	10,573.12	1,227.61	763.45	1,414.80	658.65	6,508.61
Total assets	649,368.72	93,725.75	82,189.90	125,601.56	222,273.79	125,577.73
LIABILITIES						
Financial liabilities						
Trade payables	827.28	827.28	-	-	-	-
Debt securities	2,517.94	2,517.94	-	-	-	-
Borrowings (other than debt securities)	377,669.69	10,593.04	22,475.78	87,760.05	248,155.68	8,685.14
Other financial liabilities	10,824.81	6,828.98	1,514.57	1,954.85	526.41	-
Sub total	391,839.72	20,767.24	23,990.35	89,714.90	248,682.09	8,685.14
Non-financial liabilities						
Provisions	547.99	-	-	31.93	124.00	392.06
Deferred tax liabilities (net)	6,609.68	-	-	-	-	6,609.68
Other non-financial liabilities	4,034.14	3,843.12	-	-	-	191.02
Sub total	11,191.81	3,843.12	-	31.93	124.00	7,192.75
Total liabilities	403,031.53	24,610.36	23,990.36	89,746.83	248,806.09	15,877.89

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Group's financial liabilities

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	-	-	-	2,535.36	-	2,535.36
Borrowings (other than debt securities)	152,039.91	233,184.81	385,224.72	150,147.49	299,584.14	449,731.63
Trade payable	1,857.36	-	1,857.36	827.28	-	827.28
Other financial liabilities	21,218.44	1,446.91	22,665.35	10,298.40	526.41	10,824.81
Total	175,115.70	234,631.72	409,747.42	163,808.53	300,110.55	463,919.08



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Protium Finance Limited

Notes to the Consolidated Financial Statements

42 Risk management framework (continued)

c) Market risk (Interest rate risk)

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Group's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Group is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ("ALCO") reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework.

Exposure to Interest rate risk

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Particulars	As at	
	March 31, 2026	March 31, 2025
(₹ in lakhs)		
Financial assets		
Fixed-rate instruments	210,762.05	190,126.54
Floating-rate instruments	302,883.81	235,475.30
Sub-Total	513,645.86	425,601.84
Add: Accrued / Overdue Interest	9,851.21	7,524.42
Less: Unamortized cost / Impairment loss allowance	(11,276.40)	(9,559.45)
Total	512,220.67	423,566.82
Financial Liabilities		
Fixed-rate instruments	121,414.00	97,494.41
Floating-rate instruments	265,109.21	283,916.27
Sub-Total	386,523.20	381,410.68
Add: Accrued Interest	909.33	1,289.40
Less: Unamortized cost	(2,207.81)	(2,512.51)
Total	385,224.72	380,187.57

Fair value sensitivity analysis for Floating-rate Instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

Particulars	As at March 31, 2026		As at March 31, 2025	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
(₹ in lakhs)				
Floating rate loans	3,024.04	(3,024.04)	2,366.04	(2,366.04)
Floating rate borrowings	(2,651.09)	2,651.09	(2,839.16)	2,839.16
Total	372.95	(372.95)	(473.12)	473.12

d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Group are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Group has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal by Risk Management committee on a periodic basis.

e) Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast repayment of borrowings in US dollar. These forecast transactions are highly probable, and they comprise for the 100% of the Group's exposure in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency changes in foreign exchange forward rates.

The Group's exposure of foreign currency risk at the end of the reporting period as follow

Particulars	As at March 31, 2026		As at March 31, 2025	
(₹ in lakhs)				
Hedged				
External commercial borrowings (USD 68 million, March 31, 2025 USD 58 million)		(101,293.40)		(77,091.90)
Derivative financial instrument*		101,293.40		77,091.90

*Represents the notional amount of the derivative financial instrument

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

Hedging Policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Hedge ratio

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.



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f) Impact of hedge on the Balance Sheet

As at 31 March 2026

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability	Amount recognised in Profit and Loss - ineffective portion	Amount recognised in OCI effective portion	Amount outstanding in Cash Flow Hedge Reserve (Before tax)
Cross Currency Interest Rate Swaps (External commercial borrowings)	57,193.40	7,261.25	-	-	1,093.52	89.74
Foreign currency forward contract (Foreign currency term loan)	44,100.00	2,334.17	-	-	(428.95)	(428.95)

(₹ in lakhs)

As at 31 March 2025

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability	Amount recognised in Profit and Loss - ineffective portion	Amount recognised in OCI effective portion	Amount outstanding in Cash Flow Hedge Reserve (Before tax)
Cross Currency Interest Rate Swaps(External commercial borrowings)	48,591.90	41.52	-	-	(968.76)	(1,003.80)
Foreign currency forward contract (Foreign currency term loan)	28,500.00	-	-	-	-	-

(₹ in lakhs)

Hedge Maturity

Particulars	As at March 31, 2026	As at March 31, 2025
Cross Currency Interest Rate Swaps(External commercial borrowings)	Oct-2026 to June 2028	Oct-2026 to June 2028
Foreign currency forward contract (Foreign currency term loan)	April 2026	April 2025

Maturity of notional amount

As at March 31, 2026

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Cross Currency Interest Rate Swaps(External commercial borrowings)	57,193.40	-	-	29,577.15	27,616.25	-
Foreign currency forward contract (Foreign currency term loan)	44,100.00	1,500.00	1,200.00	8,100.00	33,300.00	-

(₹ in lakhs)

As at March 31, 2025

Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Cross Currency Interest Rate Swaps(External commercial borrowings)	48,591.90	-	-	-	48,591.90	-
Foreign currency forward contract (Foreign currency term loan)	28,500.00	1,500.00	-	4,500.00	22,500.00	-

(₹ in lakhs)

Movement in Cash flow hedge reserve are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	751.14	26.22
Effective portion of change in fair value		
-Foreign Currency Forward	(2,836.61)	-
-Cross Currency Interest Rate Swaps	(7,219.74)	(76.56)
Foreign currency exchange rate differences	9,391.77	1,045.31
Tax on movement	167.27	(243.84)
Closing Balance	253.84	751.14



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43. Fair value measurement

43.1 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 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:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that group can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

43.2 Valuation governance framework

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Group sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

43.3 There have been no transfers between levels during the period ended March 31, 2026 and year ended March 31, 2025.

43.4 Fair value measurement hierarchy:

The table below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2026					
Particulars	Carrying Value	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial Assets					
At Amortised cost					
Trade receivables	1,048.45	-	-	1,048.45	1,048.45
Loans	363,984.09	-	-	354,944.19	354,944.19
Other financial assets	47,591.59	-	-	47,591.59	47,591.59
Investment	32,255.68	29,615.99	-	2,639.69	32,255.68
At FVTPL					
Investment	1,608.46	1,608.46	-	-	1,608.46
At FVTOCI					
Derivative financial instrument	9,595.42	-	9,595.42	-	9,595.42
Loans	148,236.58	-	-	148,236.58	148,236.58
Total financial assets	604,320.27	31,224.45	9,595.42	554,460.50	595,280.37
Financial liabilities					
At Amortised cost					
Trade payables	1,857.36	-	-	1,857.36	1,857.36
Debt securities	-	-	-	-	-
Borrowings	385,224.72	-	-	385,224.72	385,224.72
Other financial liabilities	22,665.35	-	-	22,665.35	22,665.35
Total financial liabilities	409,747.43	-	-	409,747.43	409,747.43

As at March 31, 2025					
Particulars	Carrying Value	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial Assets					
At Amortised cost					
Trade receivables	1,026.95	-	-	1,026.95	1,026.95
Loans	334,439.24	-	-	337,288.82	337,288.82
Other financial assets	35,124.98	-	-	35,124.98	35,124.98
Investment	42,923.58	34,805.22	-	8,118.36	42,923.58
At FVTPL					
Investment	8,743.17	8,743.17	-	-	8,743.17
At FVTOCI					
Derivative financial instrument	41.52	-	41.52	-	41.52
Loans	89,127.58	-	-	89,127.58	89,127.58
Total financial assets	511,427.02	43,548.39	41.52	470,686.69	514,276.60
Financial liabilities					
At Amortised cost					
Trade payables	827.28	-	-	827.28	827.28
Debt securities	2,517.94	-	-	2,517.94	2,517.94
Borrowings	377,669.69	-	-	377,669.69	377,669.69
Other financial liabilities	10,824.81	-	-	10,824.81	10,824.81
Total financial liabilities	391,839.72	-	-	391,839.72	391,839.72

* The carrying value of assets and liabilities at amortised cost represents a reasonable approximation of fair value.



Protium Finance Limited

Notes to the Consolidated Financial Statements

44. Lease accounting

The Group has entered into leasing arrangements for premises. Right of Use Assets ("ROU") has been included under 'Property, Plant and Equipment' and Lease Liability has been included under 'Other financial liabilities' in the Balance Sheet.

44.1 Following are the changes in the carrying value of right of use assets (ROU):

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,421.47	1,915.26
Addition during the year	2,997.71	945.52
Disposals during the year	(19.80)	(0.36)
Depreciation for the year	(1,867.85)	(1,438.94)
Balance as at the end of the year	2,531.53	1,421.47

44.2 The following is the movement in lease liabilities:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,514.41	1,946.80
Addition during the year	2,930.35	922.35
Finance cost accrued during the year	325.44	203.48
Payment of Lease liabilities made during the year	(2,058.26)	(1,557.98)
Disposal during the year	(20.27)	(0.23)
Balance as at the end of the year	2,691.67	1,514.41

44.3 The table below provides details regarding the contractual maturities of lease liabilities as of march, 2026 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	1,244.77	1,075.51
Between one and five years	1,370.26	539.63
More than five years	76.63	-
Total	2,691.66	1,615.13

44.4 Expenses recognised in the statement of Profit and Loss:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation expense on right-of-use assets (Refer Note 10)	1,867.85	1,438.94
Interest expense on lease liabilities (Refer Note 28)	325.44	203.48
Expense relating to short-term leases	291.76	270.50
Expense relating to leases of low value assets	-	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

44.5 Amount recognised in the statement of Cash flow:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total cash outflow for leases	2,058.26	1,557.98

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45. Disclosure of transactions with related parties as required by Ind AS 24:

a. List of related parties and relationship:

Name of related parties by whom control is exercised	
Ultimate Holding Company	Consilience Capital Management
Key Management Personnel (KMP)	Mr. Peeyush Misra - (Managing Director & CEO) Mr. Pravin Raghavendra - Independent Director (appointed w.e.f from 26-06-2025) Mr. Parveen Kumar Gupta - Independent Director Ms. Anuradha Rao - Independent Director (Till 08-07-2026) Ms. Dakshita Das - Independent Director Mr. Sitaram Kunte - Independent Director
Key Management Personnel (KMP) in Subsidiary Companies	<u>Protium Business Services Private Limited</u> Mr. Amit Gupta - Nominee Director Mr. Yogendra Singh - Director Mr. Amit Garg (till 01.11.2025) - Director Mr. Shantanu Rege (Nominee Director) (appointed w.e.f. 27.10.2025) <u>Shibul Technologies Private Limited</u> Mr. Amit Gupta - Nominee Director Mr. Amit Garg (till 01.11.2025) - Nominee Director Mr. Yogendra Singh (appointed w.e.f. 27.08.2024) - Nominee Director Mr. Dhruvil Shah (appointed w.e.f. 05.09.2024) - Additional Director

b. Transactions with Related Parties:

Nature of transactions	₹ in lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Investment from ultimate Holding Company Consilience Capital Management	-	-
Director's fees, allowances, and expenses		
Mr. Parveen Kumar Gupta	45.00	42.00
Ms. Anuradha Rao	18.00	34.00
Ms. Dakshita Das	39.00	34.00
Mr. Sitaram Kunte	48.00	39.00
Mr. Pravin Raghavendra	23.00	-

c. Related parties balance outstanding :

Particulars	₹ in lakhs			
	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by ultimate holding Company in equity shares of the Company				
Consilience Capital Management	208,763.00	-	-	-

Particulars	₹ in lakhs			
	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by ultimate holding Company in equity shares of the Company				
Consilience Capital Management	208,763.00	-	-	-

Note:

- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Group. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under paragraph 9 of the Indian Accounting Standard-24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms length basis.
- The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable.

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46. Rating assigned by the credit rating agencies during the year :

(₹ in lakhs)

Instrument	Credit Rating Agency	As at March 31, 2026			As at March 31, 2025		
		Rating Amount	Date	Rating	Rating Amount	Date	Rating
Bank loan ratings	Acuite Ratings & Research Limited	500,000.00	16-Oct-25	ACUITE AA- (Outlook : Stable)	350,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)
Non convertible debentures	Acuite Ratings & Research Limited	35,000.00	16-Oct-25	ACUITE AA- (Outlook : Stable)	15,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)
Pass through certificates – Turiya BL - 230703	India Ratings & Research Private Limited				696.90	21/Oct/24	IND AA(SO)/Stable
Pass through certificates – Turiya BL-2304	Care Ratings Limited				3,155.00	10/Jun/24	CARE AA (SO)
Pass through certificates – Turiya EDI - 230601	Care Ratings Limited	1,242.00	17/Oct/25	CARE AAA (SO)	2,255.00	19/Jul/24	CARE AA+ (SO)
Pass through certificates – Turiya LAP - 230701	ICRA Limited				2,502.00	27/Nov/24	[ICRA] AAA(SO)
Pass through certificates – Turiya LAP - 230802	ICRA Limited				1,325.00	27/Nov/24	[ICRA] AAA(SO)
Pass through certificates – Turiya LAP - 2401	ICRA Limited	646.00	28/Jun/26	[ICRA] AAA(SO)	1,577.00	17/Jun/25	[ICRA] AAA(SO)
Pass through certificates – Turiya BL - 2310	ICRA Limited	1,620.00	22/Dec/25	[ICRA] AA+(SO)	2,971.00	19/Dec/24	[ICRA] AA+(SO)
Pass through certificates – Turiya BL-2311	India Ratings & Research Private Limited				2,313.10	17/Dec/24	IND AA- (SO)/Stable
Pass through certificates – Turiya BL-231201	India Ratings & Research Private Limited				979.50	4/Feb/25	IND AA(SO)/Stable
Pass through certificates – TURIYA BL - 240902	India Ratings & Research Private Limited	1,729.90	2/Dec/25	IND AA(SO)/Stable	4,062.80	28/Jun/25	IND AA(SO)/Stable
Pass through certificates – Turiya LAP 241001	ICRA Limited	1,822.00	30/Mar/26	[ICRA] AA+(SO)	4,291.00	12/Mar/25	[ICRA] AA+(SO)

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Protium Finance Limited

Notes to the Consolidated Financial Statements

47. Additional Information as required by Paragraph 2 of the general instruction of preparation of Consolidated financial statement to Schedule III to the Companies Act 2013

For the year ended March 31, 2026

Name of the entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive	Amount	As % of Consolidated Total comprehensive	Amount
Parent Protium Finance Limited	100.12%	265,162.28	100.91%	17,353.33	100.29%	408.30	100.89%	17,761.63
Subsidiaries Protium Business Services Private Limited	0.25%	671.68	-1.00%	(171.97)	-0.28%	(1.16)	-0.98%	(173.13)
Shibui Technologies Private Limited	0.04%	101.74	0.35%	60.79	-	-	0.35%	60.79
a) Adjustments arising out of intercompany elimination	-0.42%	(1,101.50)	-0.25%	(44.97)	-	-	-0.26%	(44.98)
b) Non-controlling interests	-	-	-	-	-	-	-	-
Total	100.00%	264,834.20	100.00%	17,197.17	100.00%	407.13	100.00%	17,604.30

For the year ended March 31, 2025

Name of the entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive	Amount	As % of Consolidated Total comprehensive	Amount
Parent Protium Finance Limited	100.07%	246,507.95	99.86%	17,100.66	102.37%	(953.09)	99.72%	16,147.57
Subsidiaries Protium Business Services Private Limited	0.34%	844.81	0.18%	31.54	-2.39%	22.20	0.33%	53.75
Shibui technologies Private Limited	0.02%	40.95	0.20%	35.89	-	-	0.22%	35.89
a) Adjustments arising out of intercompany elimination	-0.43%	(1,056.53)	-0.25%	(44.21)	-	-	-0.27%	(44.21)
b) Non-controlling interests	-	-	-	-	-	-	-	-
Total	100.00%	246,337.19	100.00%	17,123.88	100.00%	(930.89)	100.00%	16,192.99



Notes to the Consolidated Financial Statements

48. There are no prior period items which are impacting Group's current year Profit and Loss.

49. (₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Processing fees on borrowings	92.81	184.21
Membership & subscription charges	4.53	10.94
Total	97.34	195.15

50. There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Group during/for the period to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose.

51. Utilisation of Borrowed funds and share premium :

As a part of normal lending business, the Group grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

The Group has not advanced or loaned or invested funds (either borrowed funds or any other sources or kind of funds) to any other persons or entities (Intermediaries) with the understanding that the Intermediary shall-

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any persons or entities (Funding Party) with the understanding that the group shall

- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

53. Compliance with number of layers of companies:

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

54. Events occurring after balance sheet date - There have been no events after the reporting date that require adjustment in these financial statements.

55. Willful Defaulter:

The Group is not a declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2026 and March 31, 2025.

56. Title Deeds of Immovable Properties not held in the name of the Group

The Group does not hold any immovable property as on March 31, 2026 and March 31, 2025. All the lease agreements are duly executed in favor of the Group for properties where the Group is the lessee.

57. The Group has no pending charges or satisfaction of charges, which are required to be registered with Registrar of Companies (ROC).

58. Daily back up: Proper books of account as required by law have been kept by the Company. Back-up of the books of account and papers maintained in electronic mode is maintained on servers physically located in India on a daily basis, except in case of three applications (used for vendor management and expense processing, human resource management and payroll record maintenance and processing) which are operated by third party service providers, the management is not in possession of an appropriate Service Organization Controls report to determine whether the back-up of books was maintained on servers physically located in India on a daily basis.

Audit trail: The Company uses accounting software which are the General ledger system, Loan origination system, Loan management system, Human resource management system, Payroll processing system, Vendor management and Expense processing system for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that for:

- a. General ledger system – audit trail feature has not been enabled;
- b. Loan origination system and Loan management system – audit trail has not been enabled at database level; and
- c. Vendor management and expense processing system, Human resource management system and Payroll processing system (operated by third party service providers) – appropriate Service Organization Controls report not available to determine whether audit trail feature has been enabled and has operated throughout the year.

Further, there has been no instance of audit trail feature being tampered with wherever it has been enabled. Additionally, the audit trail of prior years and current year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the



Protium Finance Limited

Notes to the Consolidated Financial Statements

59. The Group has not given any loans against intangible securities during the year ended March 31, 2026 and March 31, 2025. Accordingly, there are no outstanding loans against intangible securities as at the respective reporting dates.
60. The Group operates only in India. Hence, the disclosure relating to area of operation is not applicable.
61. There have been no instances where revenue recognition has been postponed pending the resolution of significant uncertainties.
62. The Group has made no drawdown from its existing reserves.
63. Off-balance sheet exposures and structured products:
i) refer note no 36 and 40 (d) (ii) for off-balance sheet
ii) The Company has not issued any structured products.
64. No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
65. The Group has no balance with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
66. The Group has not entered into any scheme of arrangement.
67. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
68. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. The impact of such regrouping/ re-classification are not material to the financial statements.

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICA! Firm Registration Number : 101049W/E300004

Ahahoti

per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: 5 May 2026

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

Peeyush Misra

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Amit Gupta
Chief Financial Officer

Place: Mumbai
Date: 5 May 2026

Parveen Kumar Gupta

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 5 May 2026

