

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

United Finance Company SAOG (“the Company”) is an Omani Joint Stock Company incorporated on 1 May 1997, licensed by the Central Bank of Oman and registered under the Commercial Companies Law of the Sultanate of Oman.

The Company is principally involved in providing vehicle and equipment financing and is also licensed to provide composite loans, bridge loans, hire purchase, debt factoring and financing of receivables and leasing in the Sultanate of Oman. The Company has its Head Office in Muscat with branches in Ibra, Ibri, Firq, Sohar, Salalah, Barka and Mawelah, all located within the Sultanate of Oman. The registered address of the Company is P.O. Box 3652, Postal Code 112, Ruwi, Sultanate of Oman. The Company has a primary listing on the Muscat Stock Exchange.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS accounting standards (IFRS) as issued by the International Accounting Standard Board (IASB), relevant requirements of the Commercial Companies Law, as amended, Financial Service Authority (FSA) and the applicable regulations of the Central Bank of Oman (CBO) of the Sultanate of Oman.

2.2 New and amended IFRS applied with no material effect on the financial statements

For the year ended 31 December 2025, the Company has adopted all of new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2025. The following amendments to existing standards and framework have been applied by the Company in preparation of these financial statements.:

<i>Standard or amendments</i>	<i>Title</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

The amendments above did not have any impact on the amounts recognised in current periods and is not expected to significantly affect the future period.

2.3 New and amended IFRS in issue but not yet effective and not early adopted

The Company has not early adopted any new standards, interpretations, amendments that have been issued but are not yet effective in these financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Standard or amendments</i>	<i>Title</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
New Standard IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2026
New Standard IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Company is evaluating the impact on future financial statements, if any, of adopting these pronouncements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements are prepared under the historical cost convention and modified to include the application of fair value measurements that are required or allowed by relevant accounting standard.

The statement of financial position is presented in order of liquidity, as this presentation is more appropriate to the Company's operations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management has used its judgments and made estimates in determining the amounts recognised in the financial statements. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in note 4.

Foreign currency transactions

Functional and presentation currency

The accounting records are maintained in Rial Omani (﷮) which is the functional and presentation currency for these financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Recognition of interest income and expenses

Effective interest rate

Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an Integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or a financial liability is the amount at which the financial asset or the financial liability is measured on initial recognition, minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance or impairment allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer

credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;

Fee commission and other income

The Company earns fee, commission and other income from a variety of financial services. Such income is accounted for under IFRS 9 Financial Instruments or IFRS 15 Revenue from Contracts with Customers, depending on the nature of the underlying activity.

Fees that are integral to the effective interest rate (EIR) of a financial asset or liability such as those directly attributable to the origination or modification of financial instruments are recognised under IFRS 9. These fees are included in the EIR and recognised over the expected life of the related instrument.

Dividend income from equity instruments measured at FVOCI is also recognised under IFRS 9 when the right to receive payment is established.

All other fee and commission income is recognised under IFRS 15 at the amount of consideration expected for the services provided. At contract inception, the Company identifies the promised services and determines whether they are satisfied at a point in time or over time.

Fees earned for services provided at a specific point in time, such as documentation fees, penalties and foreclosure charges, are recognised immediately when the service is delivered.

Fees relating to ongoing administrative or servicing activities are recognised over time based on the pattern of service delivery, typically on a straight-line basis. This includes servicing fees on certain derecognised assets, such as collecting borrower cash flows, remitting funds to beneficial interest holders, monitoring delinquencies and executing foreclosures.

Property, vehicles, and equipment

Property and equipment are stated at historical cost, less accumulated depreciation. Cost represents purchase cost together with any incidental costs of acquisition. Land is not depreciated. The cost of property and equipment is depreciated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are:

	<i>Years</i>
Motor vehicles	3
Furniture and office equipment	3 - 6
Buildings	20

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount. Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts and are recognised in the statement of profit or loss and other comprehensive income.

Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the assets held for sale to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset held for sale is recognised at the date of derecognition. Assets held for sale are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are presented separately from the other assets in the statement of financial position. If an asset ceases to meet the criteria to be classified as held for sale, it is remeasured at the lower of its

carrying amount before classification and its recoverable amount at the date of reclassification. Any gain or loss due to valuation/sale is recognised through statement of profit or loss.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right of use assets

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. as changes in future payments resulting from a change in index or rate used to determine such lease payments) or a change in the assessment to purchase the underlying assets. The weighted average lessee's incremental borrowing rate applied to the lease liability was 5.0% per annum. (2024: 5%)

(c) Leases of low-value assets

The Company applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

Financial assets and financial liabilities

(i) Recognition and initial measurement

Date of Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Company recognises balances due to customers when funds are transferred to the Company.

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, except in the case

of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the 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 trading income. 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. The deferred amounts are recognised in profit or loss when there is a change in a factor (including time) that market participants would take into account when pricing the asset or liability. On this basis, the Company has assessed that amortising the deferred amount on a straight-line basis is appropriate. Any outstanding amount is immediately recognised in profit or loss when the instrument is derecognised or when the input(s) becomes observable.

(ii) Classification

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling;
- 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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates

Investment securities

The 'investment securities' caption in the statement of financial position includes:

- equity investment securities designated as at FVOCI.

The Company elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment.

Reclassifications

Financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

Trade and settlement date accounting

Purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

(iii) Derecognition

A financial asset (in whole or in part) is derecognised where:

- (i) the right to receive cash flows from the asset have expired; or
- (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and
- (iii) either (i) the Company has transferred substantially all the risks and rewards of ownership, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control over the asset or a proportion of the asset.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

(iv) Modifications of financial assets and financial liabilities

Financial assets

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Instalment finance debtors

Instalment finance debtors' captions in the statement of financial position include loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

(v) Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Company assesses the ECL impact on the bank deposits at each reporting date and the impact of ECL is found to be immaterial, therefore no impact is recorded in these financial statements

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12 months ECL:

- other financial instruments (including lease receivables) on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- *financial guarantee contracts:* the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
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- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields;
- The rating agencies' assessments of creditworthiness; and
- The country's ability to access the capital markets for new debt issuance.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: As a provision under creditors and other payables
- where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts and short-term deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Borrowings and corporate deposits

Borrowings and corporate deposits are recognised initially at fair value, net of transaction costs incurred.

After initial recognition, interest bearing borrowings and corporate deposits are subsequently carried at amortised cost using the effective interest method.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

End of service benefits and leave entitlements

End of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labor Law 2003 and its amendments. Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in creditors and other payables in the statement of financial position.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991, are recognised as an expense in the statement of comprehensive income as incurred.

Creditors and other payables

Creditors and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company.

Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Financial guarantees

In the ordinary course of business, the Company issues guarantees on behalf of their clients and as well the Company's bankers issue financial guarantees to the Company's customers on behalf of the Company that are stated as contingent liabilities in the Company's financial statements till it is cancelled or expired. In the event the bank invokes the guarantee, the Company pays the guarantee amount and debits the customers account, which would form part of the main statement of financial position.

Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale (Refer Note 3 assets held for sale).

In its normal course of business, the Company engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the year in which the dividends are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividend bonds (non-convertible).

The dividend bonds are classified as financial liabilities in accordance with IFRS 9 and are initially recognized at fair value, net of transaction costs. Subsequently, they are measured at amortized. The bonds are redeemable 60 months after the listing date. Interest expense is recognized in profit or loss as it accrues, and any unpaid interest is added to the carrying amount of the dividend bonds.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee that makes strategic decisions.

Earnings per share and net assets per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding at 31 December.

Fair value estimation

For investments traded in an active market, fair value is determined by reference to quoted market bid prices. The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

Directors' remuneration

The Directors' remuneration is governed as set out in the Memorandum of Association of the Company, the Commercial Companies Law and regulations issued by the Capital Market Authority.

The Annual General Meeting shall determine and approve the remuneration and the sitting fees for the Board of Directors and its sub-committees in compliance with applicable regulations.

Taxation

Taxation is provided in accordance with Omani fiscal regulations. Income tax comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date. Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

Offsetting

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed by the Company to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are discussed below.

Business models and SPPI assessment

Determining the appropriate business models and assessing the SPPI requirements for financial assets may require significant accounting judgement and have a significant impact on the financial statements. Details of the Company's classification of financial assets and liabilities are given in material accounting policies in note 3 to the financial statements.

Measurement of the expected credit loss allowance

To assess the impairment losses on installment finance debtors, the Company follows guidelines issued by Central Bank of Oman and the requirements of applicable IFRS Accounting Standards. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance:

- segmentation of financial assets for the ECL assessment purposes;
 - determination of a level of ECL assessment on an individual instrument basis or on a collective basis;
 - definition of default applied by the Company;
 - development and application of internal credit grading models, which assigns PDs to the individual credit risk grades;
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- development and application of internal models used to estimate exposure at default (“EAD”) for financial instruments and credit related commitments;
- assessment of loss given default (“LGD”), including the judgments made in valuation of collaterals.
- criteria for assessing if there has been a significant increase in credit risk;
- selection of forward-looking macroeconomic scenarios and their probability weightings

Detailed information about the judgements and estimates made by the Company in the above areas is set out in note 32 to the financial statements.

Allowance for expected credit losses– Stage 3 loans

The Company reviews its instalment finance debtors at each reporting date to assess whether an allowance for impairment should be recorded in the income statement. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required.

The Company reviews its Instalment finance debtors to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of debtors before the decrease can be identified with an individual debtor in that portfolio. This takes into consideration factors such as any deterioration in industry, collateral value and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Assets held for sale

Assets held for sale is recorded at fair value and records any valuation differences through profit or loss. Company uses a professional valuer to ascertain the fair value. Refer Note 11 to the financial statements for key assumptions to determine fair value.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using certain valuation techniques, derived from observable market data where possible. Where observable market data are not available, judgment is used to establish fair values. (Refer note 11 and 15 for details)

Going concern

The Company’s management has made an assessment of its ability to continue as going concern and is satisfied that it has the resources to continue in business for foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5 INTEREST INCOME ON INSTALMENT FINANCE DEBTORS

	2026	2025
	<u>₱</u>	<u>₱</u>
Interest income on instalment finance debtors	3,081,998	2,463,773
Interest income on debt factoring	17,546	17,865
	<u>3,099,544</u>	<u>2,481,638</u>

6 INTEREST EXPENSE

	2026	2025
	<u>₱</u>	<u>₱</u>
Interest expense on loans	529,599	712,243
Interest expense on bonds	291,614	-
Interest expense on corporate deposits	236,294	146,255
	<u>1,057,507</u>	<u>858,498</u>

7 FEE COMMISSION AND OTHER INCOME

	2026	2025
	<u>₹</u>	<u>₹</u>
Documentation fees	48,206	44,670
Bad debts recovered	82,496	191,248
Insurance commission income	80,121	76,238
Penalties charged	41,144	23,809
Foreclosure charges	26,719	12,654
Others	977	1,233
	279,663	349,852

8 OPERATING EXPENSES

	2026	2025
	<u>₹</u>	<u>₹</u>
Staff costs (note 8.1)	701,243	651,523
Repairs and maintenance	50,450	56,076
Insurance	33,214	42,420
Fees and charges	64,817	43,198
Communication and traveling	32,787	32,987
Statutory expenses	49,840	46,207
Advertising and business promotion expenses	2,725	7,761
Directors' remuneration (note 28)	19,998	-
Directors' sitting fees (note 28)	14,200	22,400
Bank charges	44,971	33,920
Rent	-	15,210
Utilities	4,961	4,947
Others	101,583	73,816
	1,120,789	1,030,465

8.1 Staff costs

	2026	2025
	<u>₹</u>	<u>₹</u>
Wages and salaries	569,184	542,133
Other benefits	62,670	46,086
Contributions towards the Public Authority for Social Insurance	52,502	46,913
End of service benefits (note 19.2)	16,887	16,391
	701,243	651,523

9 TAXATION

Statement of profit or loss and other comprehensive income:

	2026	2025
	<u>₹</u>	<u>₹</u>
Tax charge:		
Current tax	124,991	89,769
Deferred tax charge	-	-
	124,991	89,769

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Statement of financial position		
Current liability		
Current year	124,991	89,769
Adjustment in respect of current income tax of prior years	533,867	379,832
	<u>658,858</u>	<u>469,601</u>
Deferred tax liability/(asset)		
At 1 January	24,658	24,658
Movement during the year (net)	-	-
At 31 December	<u>24,658</u>	<u>24,658</u>

The movement in the current tax liability is as follows:

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
At 1 January	533,867	379,832
Charge for the year	124,991	89,769
Paid during the year	-	-
At 31 March	<u>658,858</u>	<u>469,601</u>

For the purpose of determining the tax expense for the period, the accounting profit has been adjusted for tax purposes. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Company's tax assessments have been agreed with the tax authorities up to tax year 2021.

10 CASH AND CASH EQUIVALENTS

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Cash in hand	19,268	12,648
Bank balances	2,264,382	1,669,625
	<u>2,283,650</u>	<u>1,682,273</u>

The Company has assessed the ECL impact on the bank deposits and the impact of ECL is found to be immaterial, therefore no ECL is recorded in these financial statements. All these deposits in the bank accounts are made with highly rated commercial banks in Oman.

11 ASSETS HELD FOR SALE

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
At 1 January	511,210	511,210
Disposal during the year	-	-
At 31 March	<u>511,210</u>	<u>511,210</u>

11.1 This represents property acquired against settlement of loan from a defaulted customer through court auction. This property was recently valued in December 2025 and carried at fair value of the asset. The Company's intention to sell this property in the year 2026 has not changed.

12 DEPOSITS WITH THE CENTRAL BANK OF OMAN

The deposit represents a capital deposit with the Central Bank of Oman made in accordance with the Banking Law of 1974. The deposit is only repayable if the Company terminates its Instalment finance business within the Sultanate

of Oman and settles all outstanding obligations and claims arising from that business. The deposit earns interest at the rate of 1.5% per annum.

13 OTHER ASSETS

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Prepaid expenses	298,620	196,055
Advances	628,197	576,166
Other receivables	76,859	887
	<u>1,003,676</u>	<u>773,108</u>

Advances include payments related to the new core system implementation amounting to ₹ 530,795 (2025: ₹ 428,302)

14 INSTALMENT FINANCE DEBTORS

All debts are due from individuals, partnership firms and corporate bodies operating within the Sultanate of Oman. The maturity profile of debts outstanding at the reporting date is disclosed in note 32 to these financial statements.

Instalment finance debtors arising from financing activities

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Gross Instalment finance debtors	170,232,947	142,965,073
Unearned finance income	(29,313,286)	(23,957,507)
Net Instalment finance debtors (as per IFRS 9)	140,919,661	119,007,566
Bills discounting	818,860	506,871
	<u>141,738,521</u>	<u>119,514,437</u>
Allowance for expected credit losses	(11,678,048)	(10,438,633)
Unrecognized contractual income (Reserve Interest)	(1,831,785)	(1,785,277)
	<u>128,228,688</u>	<u>107,290,527</u>

The table below represents analysis of gross instalment finance debtors and present value of instalment finance debtors for each of the following categories:

	<i>Up to 1 year</i> <u>₹</u>	<i>1 to 5 years</i> <u>₹</u>	<i>Above 5 years</i> <u>₹</u>	<i>Total</i> <u>₹</u>
At 31 March 2026				
Gross Instalment finance debtors finance and bills discounting	<u>65,334,239</u>	<u>95,925,117</u>	<u>9,792,451</u>	<u>171,051,807</u>
Instalment finance and bills discounting net of unearned interest	<u>54,639,501</u>	<u>78,536,183</u>	<u>8,562,837</u>	<u>141,738,521</u>
At 31 March 2025				
Gross Instalment finance debtors finance and bills discounting	<u>54,767,766</u>	<u>79,742,357</u>	<u>8,961,821</u>	<u>143,471,944</u>
Instalment finance and bills discounting net of unearned interest	<u>46,056,450</u>	<u>65,571,829</u>	<u>7,886,158</u>	<u>119,514,437</u>

Movement in allowance for expected credit losses

The movement in the allowance for expected credit losses and reserved interest for the year was as follows:

	<u>ECL</u> <u>₹</u>	<u>Reserve Interest</u> <u>₹</u>	<u>Total</u> <u>₹</u>
At 1 January 2026	11,363,049	1,768,079	13,131,128
Charged during the year	688,709*	102,866	791,575
Released during the year	(373,710)*	(39,160)	(412,870)
At 31 March 2026	11,678,048	1,831,785	13,509,833
At 1 January 2025	10,132,219	1,718,916	11,851,135
Charged during the year	634,470*	138,604	773,074
Released during the year	(328,056)*	(72,243)	(400,299)
Written off during the year	-	-	-
At 31 March 2025	10,438,633	1,785,277	12,223,910

*The ECL amount charge to statement of profit or loss (net of amount charged and released) for the period ended 31 March 2026 is ₹ 314,999 the net of amount charged and amount released during the year (2025 ₹ 306,414).

15 INVESTMENT SECURITIES

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Al-Soor International Holding Company (Kuwait) (note 15.1)	831,355	831,355
National Bureau of Commercial Information	1	1
	831,356	831,356

15.1 These represent unquoted investments (Al Soor International Holding Company LLC) classified as fair value through other comprehensive income. The fair value of unquoted security was determined based on market value method, and the Company has considered Price/Book Value ("P/BV") multiple, to estimate the fair value as at 31 March 2026. (Level 3 fair value hierarchy).

The percentage of holding by the Company in Al Soor International Holding Company LLC is 0.8% (2025: 0.8%).

16 PROPERTY, VEHICLES, EQUIPMENT AND RIGHT-OF-USE ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Furniture and office equipment</i>	<i>Right of use assets</i>	<i>Total</i>
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Cost						
1 January 2025	1,969,215	778,744	76,748	1,614,894	-	4,439,601
Additions	-	945	-	7,170	-	8,115
Disposals	-	-	-	(3,935)	-	(3,935)
31 st March 2025	1,969,215	779,689	76,748	1,618,129	-	4,443,781
1 January 2026	1,969,215	798,446	76,748	1,397,674	202,867	4,444,950
Additions	-	-	5,985	12,378	-	18,363
Disposals	-	-	-	-	-	-
31 March 2026	1,969,215	798,446	82,733	1,410,052	202,867	4,463,313
Depreciation						
1 January 2025	-	676,211	21,610	1,398,999	-	2,096,820
Charge for the year	-	10,094	6,245	21,311	-	37,650
Disposal	-	-	-	(3,702)	-	(3,702)
31 st March 2025	-	686,305	27,855	1,416,608	-	2,130,768
1 January 2026	-	715,527	46,937	1,192,420	62,981	2,017,865
Charge for the year	-	9,842	6,700	19,194	16,905	52,641
Disposal	-	-	-	-	-	-
31 March 2026	-	725,369	53,637	1,211,614	79,886	2,070,506
Carrying value 31 March 2026	1,969,215	73,077	29,096	198,438	122,981	2,392,807
31 March 2025	1,969,215	93,384	48,893	201,521	-	2,313,013

The Company's bankers hold a pari passu charge over substantial portion of assets of the Company for the credit facilities granted.

17 SHARE CAPITAL

Share capital comprises 356,127,298 (2025: 356,127,298) fully paid shares of ₹ 0.100 each. The Company's authorised share capital is ₹ 50,000,000 (2025: ₹ 50,000,000).

The shareholders who own 5% or more of the Company's shares are as follows:

	<i>Number of shares</i>		<i>Percentage of holding (%)</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<u>₹</u>	<u>₹</u>		
Oman Hotels and Tourism Company SAOC	119,579,488	119,579,488	33.58	33.58
Global Financial Investments Holding SAOG	89,031,772	89,031,772	25.00	25.00
Al Saud Company Ltd – Ubar Financial Investment	26,900,000	26,900,000	7.55	7.55
Abdullah Slim Rashid Al khayari	19,038,570	18,405,748	5.35	5.17

18 RESERVES

(a) Legal reserve

In accordance with Article 132 of the Commercial Companies Law of 2019, as amended, the Company sets aside ten percent of the net profits, after deduction of taxes, for establishing a legal reserve until such legal reserve amounts to at least one third of the Company's share capital. Such legal reserve may be used for covering the Company's losses and the increase of its share capital by way of issuing shares and it shall not be distributed to the shareholders as dividends except where the Company reduces its share capital, provided that the legal reserve shall not be less than one third of the share capital after the reduction. As of end March 2026, the Company has transferred to legal reserve of ₹ 70,728 (2025: ₹ 50,869).

(b) Special reserve

As per policy, the Company creates a special reserve to the extent of 1% of instalment finance debtors disbursed each year till it reaches 2% of the net Instalment finance debtors. The special reserve is being maintained to cover any delinquencies arising from unforeseen contingencies. As of end March 2026, the Company has transferred to special reserve ₹ 29,688 (2025: Nil) from Retained earnings.

(c) Impairment reserve

As per Circular BM 1149 of the guidelines issued by the Central Bank of Oman ("CBO"), the Company is required to create an impairment reserve in equity for an amount equal to excess of the provision for non-performing instalment finance debtors computed under CBO guidelines compared to provisions for expected credit losses computed under IFRS 9 on Instalment finance debtors. As of end March 2026, no amount has been transferred to Impairment Reserve from Retained Earnings as the amount hold in impairment reserve is more than what is required by the CBO guidelines. As of 31 March 2026, The Company is holding an impairment reserve of ₹ 0.37 million (2025: ₹ 1.31 million).

19 CREDITORS AND OTHER PAYABLES

	2026 <u>₹</u>	2025 <u>₹</u>
Trade creditors	6,686,604	5,413,285
Other payables	3,586,200	804,787
Advances received from customers	966,442	587,409
Accrued expenses	141,509	231,361
Interest Payable	-	-
Proposed Dividend	1,780,636	2,492,891
Lease liability (note 19.1)	126,430	-
End of service benefits (note 19.2)	265,900	243,063
	<u>13,553,721</u>	<u>9,772,796</u>

19.1 Lease liability

	2026 <u>₹</u>	2025 <u>₹</u>
At 1 st January	142,996	-
Additions	-	-
Finance charges	1,644	-
Repayment	(18,210)	-
At 31 st March	<u>126,430</u>	<u>-</u>

The Company leases 8 branches. The leases run between 1 year to 3 years, with an option to renew the lease after that date. For some leases, payments are renegotiated periodically to reflect market rentals.

19.2 End of service benefits

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
At 1 January	249,855	257,405
Charge for the year	16,887	16,391
Payments made during the year	(842)	(30,733)
At 31 March	<u>265,900</u>	<u>243,063</u>

20 BANK BORROWINGS

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Short-term borrowings (note 20.a)	27,312,878	22,594,905
Current portion of long-term loans (note 20.b)	8,231,849	8,000,596
	<u>35,544,727</u>	<u>30,595,501</u>
Non - current portion of term loans (note 20.b)	4,914,500	9,850,500
	<u>40,459,227</u>	<u>40,446,001</u>

20.a Short-term borrowings

The Company availed short-term borrowing facilities from various commercial banks. The contractual limits of these borrowings are approximately ₹ 31.5 Million (2025: ₹ 30 million), which are entirely secured against pari-passu charges over net investment in finance leases, working capital finance and factoring receivables. Maturities of the short-term loans are disclosed in note 32 to these financial statements.

During the year, interest was charged on the above borrowings at rates ranging between 4.75% to 5.5% per annum (2025: 5.5% and 6.6% per annum).

20.b Long term borrowings

The Company has entered into long term loan facility agreements with commercial banks. The aggregate contractual limit of long-term loans is ₹ 39 million (2025: ₹ 27 million). These loans are secured by a pari-passu charge over the total assets of the Company. The maturity dates of the aforementioned facilities range from January 2026 to December 2028.

During the year, interest was charged on the above borrowings at rates ranging between 5.75% to 7% per annum (2025- 6.25% and 7.25% per annum).

The tenure of the long-term loans range between 2 years and 4 years (2025: 2 years and 4 years).

20.c The Company is subject to certain covenants primarily relating to its borrowings. The Company was in compliance with covenants at 31 March 2026 and 31 March 2025. At 31 March 2026, the company had undrawn bank facilities amounting ₹ 25 million (2025: ₹ 10.18 million).

21 UNSECURED NON-CONVERTIBLE SENIOR BONDS

The Company has issued unsecured non-convertible senior bonds for an amount of ₹ 15 million in June 2025 for a period of 3 years. The coupon rate on this bond is 7% per annum and the coupon interest is payable semi-annually. The carrying value of the bond as of 31 March 2026 is ₹ 15,192,592. (2025: Nil)

22 UNSECURED NON-CONVERTIBLE DIVIDEND BONDS

In March 2025, the shareholders at the AGM approved 5% non-convertible unsecured bonus stock bonds redeemable after 60 months totalling to □ 12,464,460 bonds of □ 0.102 each amounting to □ 1,271,374 (2024: Nil) These bonus stock bonds carry an annual coupon rate of 5% payable annually. The Dividend bond has been issued in July 2025 with the approval of FSA. The bond is carried in the statement of financial position at amortised cost. Expenses incurred during issuance were □ 24,928. The amount payable on Unsecured non-convertible dividend bonds including the accrued interest as of 31 March 2026 is □ 1,292,035 (2025: Nil)

23 CORPORATE DEPOSITS

The Company accepts term deposits from corporate customers in accordance with the CBO guidelines for a minimum period of 3 months. The interest rate and maturity profile are given in note 32 to the financial statements. As on reporting date the carrying value of corporate deposit is ₪ 14.98 million (2025: ₪ 14.96 million).

24 DIVIDENDS PROPOSED AND PAID

The Board of Directors have proposed a cash dividend of 5% for the year 2025 (2024: 3.5% cash dividend and 3.5% unsecured non-convertible redeemable bonus stock bonds) and the same has been approved by the shareholders at the Annual General Meeting held on 30 March 2026. Dividend payable for the year 2025 has been appropriated from the retained earnings as of reporting date.

25 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares.

	2026	2025
	₪	₪
Profit for the year	708,280	508,694
	Number of Shares	
	2026	2025
Weighted average number of shares	356,127,298	356,127,298
	Baizas	
	2026	2025
	₪	₪
Basic earnings per share for the year	0.008	0.006

The diluted earnings per share is same as basic earnings per share as the Company does not have any instruments having dilutive effect.

26 NET ASSETS PER SHARE

The calculation of net assets per share is as below:

	2026	2025
Net asset value	49,338,324	47,976,427
Number of ordinary shares outstanding	356,127,298	356,127,298
Net assets per share	0.139	0.135

27 SEGMENTAL INFORMATION

The Company operates in the finance industry, and its operations are confined to the Sultanate of Oman. Management has determined the operating segments based on the reports reviewed by the Management Committee that makes strategic decisions.

The Management Committee considers the business from a product perspective only, as geographically, all of the business is located locally in the Sultanate of Oman.

The reportable operating segments derive their revenue primarily from corporate and retail. The Management Committee assesses the performance of the operating segments based on a measure of profit before tax.

The segment information provided to the Management Committee for the reportable segments for the year ended 31 March 2025 is as follows:

31 March 2026	Corporate	Retail	Total
	<u>₹</u>	<u>₹</u>	<u>₹</u>
Segmental revenues			
Interest income on instalment finance income	993,476	2,106,068	3,099,544
Interest expense	(380,703)	(676,804)	(1,057,507)
Net instalment finance income	612,773	1,429,264	2,042,037
Fee commission and other income	90,314	189,349	279,663
Segmental expenses			
Operating expenses	(403,484)	(717,305)	(1,120,789)
Depreciation	(18,951)	(33,690)	(52,641)
Profit before tax and allowance for ECL	280,652	867,618	1,148,270
Allowance for expected credit losses	(61,866)	(253,133)	(314,999)
Segmental profit for the year before tax	218,786	614,485	833,271
Income tax expense	(32,818)	(92,173)	(124,991)
Segmental profit for the year	185,968	522,312	708,280
Total assets	49,412,849	86,088,538	135,501,387
Total liabilities	31,018,703	55,144,360	86,163,063

31 March 2025

	<i>Corporate</i> <u><u>₹</u></u>	<i>Retail</i> <u><u>₹</u></u>	<i>Total</i> <u><u>₹</u></u>
Segmental revenues			
Interest income on instalment finance income	720,576	1,761,062	2,481,638
Interest expense	(291,890)	(566,608)	(858,498)
Net instalment finance income	428,686	1,194,454	1,623,140
Fee commission and other income	143,806	206,046	349,852
Segmental expenses			
Operating expenses	(350,357)	(680,108)	(1,030,465)
Depreciation	(12,801)	(24,849)	(37,650)
Profit before tax and allowance for ECL	209,334	695,543	904,877
Allowance for expected credit losses	(151,705)	(154,709)	(306,414)
Segmental profit for the year before tax	57,629	540,834	598,463
Income tax expense	(8,644)	(81,125)	(89,769)
Segmental profit for the year	48,985	459,709	508,694
Total assets	38,714,198	74,937,289	113,651,487
Total liabilities	22,329,520	43,345,540	65,675,060

The comparative figures in this note have been adjusted to align with the current year's presentation. These adjustments do not arise from any change in the composition of the segments or from changes in the information reviewed by management.

28 RELATED PARTIES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. Pricing policies and terms of these transactions are approved by the Company's Board of Directors. The Company maintains balances with these related parties which arise in the normal course of business. The Company has entered into transactions in the ordinary course of business with other related parties in which certain directors have a significant influence and with senior management. The terms and conditions of these transactions are at arm's length pricing and mutually agreed. The following were the transactions and balances which are with those related parties which meet the definition of a related party under IAS 24.

	<i>2026</i> <u><u>₹</u></u>	<i>2025</i> <u><u>₹</u></u>
Directors' sitting fees (note 8)	14,200	22,400
Directors' remuneration accrued (note 8)	19,998	-
Interest income on instalment finance income	12,487	11,042
Disbursements during the year	-	300,000
Collections during the year	51,980	68,610

The Company maintains the following balances with these related parties which arise in the normal course of business.

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Balances with related parties		
Instalment finance debtors due	<u>502,695</u>	<u>645,456</u>

The interest rates on net instalment finance debtors to related parties' range between 6.4% to 10.5% per annum (2025 – 6.4% to 10.5% per annum). These balances are expected to be settled in cash.

The provision pertaining to the above balances have been covered as part of the expected credit loss measurement

Compensation of key management personnel

Key management personnel are those personnel having authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of key management during the year was as follows

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Salaries and allowances	166,720	185,803
End of service benefits	3,033	4,807
	<u>169,753</u>	<u>190,610</u>

The following are the related party transactions/balances where the Company has a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity. These related parties are outside the scope of IAS 24. However, those are disclosed in line with the local regulations. The Company has entered into these transactions in the ordinary course of business, and the terms and conditions of these transactions are mutually agreed.

	<u>2026</u> <u>₹</u>	<u>2025</u> <u>₹</u>
Corporate deposits received during the period	2,000,000	3,000,000
Corporate deposits repaid during the period	-	1,150,000
Corporate deposits renewed during the period	500,000	500,000
Interest paid on corporate deposit during the period	42,594	104,578
Interest accrued on corporate deposit and not paid	5,371	8,490

The interest rates on corporate deposits from related parties range between 5.3% to 6.5% per annum (2025 – 6% to 6.5% per annum). These balances and interest are expected to be settled in cash.

29 CONTINGENT LIABILITIES

At 31 March 2026, there were contingent liabilities of ₹ 1,344,268 (2025: ₹ 379,536) in respect of financial guarantees given by the Company/arranged through banks in the normal course of business on behalf of customers from which it is anticipated that no material liabilities will arise.

30 COMMITMENTS

The Company has approved commitments to customers as on 31 March 2026 amounting to ₹ 2,850,407 (2025: ₹ 2,253,885), which is contingent upon fulfilment of the terms and conditions attached thereto. The company has approved commitments to vendors as on 31 March 2026 amounting to ₹ 340,787 (2025: ₹ 450,729) towards major capital expenditure.

31 FAIR VALUE INFORMATION

It is the Company's intention to hold instalments finance debtors to maturity. As a result, the fair value of performing instalments finance debtors is arrived at using the discounted cash flow analysis based on a discount rate equal to the prevailing market rates of interest for loans having similar terms and conditions. The Company considers that the fair

value of all financial instruments at 31 March 2026 and 2025 are not significantly different to their carrying value at each of those dates.

The estimated fair value of other financial instruments is based on market approach or discounted cash flows using rates currently offered for deposits or borrowings of similar remaining maturities. As other financial instruments are either short term in nature or subject to repricing at the market rates on regular intervals, the fair value approximates to the carrying value.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	<u>Total</u> <u>€</u>	<u>Level 3</u> <u>€</u>
31 March 2026		
Financial Instruments measured at FVOCI	831,356	831,356
Assets held for sale	511,210	511,210
	<u> </u>	<u> </u>
31 March 2025		
Financial Instruments measured at FVOCI	831,356	831,356
Assets held for sale	511,210	511,210
	<u> </u>	<u> </u>

During the period ended 31 March 2026 and 31 December 2025, there were no transfers between Level 1, Level 2 and Level 3 measurements.

32 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk), liquidity risk and operational risk. The Company continuously strives to face challenges and exploit the opportunities the market offers through a process of proactively assessing market forces and economic factors to maintain a competitive edge by devising appropriate strategies to mitigate and manage risk.

The Board of Directors sets the overall risk parameters and tolerances and the significant risk management parameters & associated policies. The Audit and Risk Committee of the Board reviews and reports to the Board of Directors on the Company's risk profile and risk-taking activities. The Asset Liability Management committee (ALCO), chaired by the CEO reviews the risks associated to liquidity, foreign exchange risk & interest rate risk. Risk Management department on a quarterly basis provide detailed report to the Audit and Risk Committee covering all the aspects of Risk Management framework. The risk management control process is based on a detailed structure of policies, procedures and limits and comprehensive risk measurement and management systems for the control, monitoring and reporting of risks. Periodic reviews by the internal and external auditors and regulatory authorities subject the risk management processes to additional scrutiny that help to further strengthen the risk management environment.

Credit risk

The measurement of ECL uses the information and approaches that the Company uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9. The approach taken for IFRS 9 measurement purposes is discussed separately in material accounting policies in note 3 to the financial statements.

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from consumer financing, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, endorsements and acceptances.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is crucial for the Company's business; therefore, management carefully manages its exposure to credit risk. Well defined policies and processes are in place at both the business units and corporate level that are intended to ensure that risks are assessed and properly approved and monitored. Formal credit limits are applied at the individual transaction, counter party, and portfolio levels. Overall exposures are also

evaluated to ensure a broad diversification of credit risk. The credit management process involves the monitoring of concentrations by product, industry, single obligor, risk grade and geography. The Company attempts to control credit risk through continuously reviewing and improving its credit policies to meet the demanding needs of market, setting and monitoring credit exposures, limiting transactions with specific counter parties and assessing their creditworthiness and restricting exposure to any particular industry or individuals or Companies of customers in a particular region / location. In addition, to mitigate the risk of unforeseen eventualities, adequate security cover is maintained over the assets of the borrowers. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses. It is the Company's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim.

Maximum exposure to credit risk

The table below gives the maximum exposure to credit risk. The maximum exposures are shown at gross before the effect of mitigation through the use of collateral agreements, ECL and other credit enhancement:

	<u>2026</u>	<u>2025</u>
Instalment finance debtors	141,738,521	119,514,437
Bank balances and deposits (including deposit with CBO)	2,514,382	1,919,625
Other receivables	76,859	887
	<u>144,329,762</u>	<u>121,434,949</u>
Total credit risk exposure	<u>144,329,762</u>	<u>121,434,949</u>

The Company holds enforceable collaterals against net investments in finance debtors to mitigate credit risk exposure. For bank balances the Company deals with reputed banks in the Sultanate of Oman and ECL has been recorded as per the model. Security deposit is held with Central Bank of Oman.

Collateral held and other credit enhancement

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period. The underlying asset subject to lease is held as a collateral in addition to personal guarantees of the lessee and other properties in certain cases.

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1

Credit risk has not increased significantly since initial recognition – recognise 12-month expected credit losses.

Stage 2

Credit risk has increased significantly since initial recognition – recognise lifetime expected losses with revenue being calculated based on the gross amount of the asset.

Stage 3

There is objective evidence of impairment as at the reporting date to recognise lifetime expected losses, with revenue being based on the net amount of the asset (that is, based on the impaired amount of the asset)

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Please refer below for estimating impairment for explanation of how the Company has incorporated this in its ECL models.

The Company allocates each exposure to a credit risk bucket based on days past due and other variety of data (quantitative and qualitative factors) that is determined to be predictive of the risk of default and applying experienced credit judgement. These factors vary depending on the nature of the exposure and the type of borrower.

The ageing of gross instalment finance debtors that were not impaired at the reporting date is as follows:

	2026 <u>₹</u>	2025 <u>₹</u>
Neither past due nor impaired *	120,179,947	97,233,051
Past due 1-30 days*	2,460,887	2,589,318
Past due 31-60 days	1,190,061	818,632
Past due 61-89 days	148,184	779,703
	<u>123,979,079</u>	<u>101,420,704</u>

*The above amount includes ₹ 2,529,413 (2025: ₹ 864,445) which pertains to customers reclassified to stage 2.

The total impaired assets as at 31 March 2026 amounts to ₹ 17.76 million (2025: ₹ 18.09 million).

Credit risk buckets are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk buckets.

Generating the term structure of PD

Credit risk buckets are primary inputs into the determination of the term structure of PD for exposures. The Company collects performance information about its credit risk exposures analysed by type of product and borrower as well as by credit risk buckets.

The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors on the risk of default.

For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices. Based on advice from Risk Management Committee and economic experts and consideration of a variety of external actual and forecast information, the Company formulates a 'base scenario' of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Company then uses these forecasts to adjust its estimates of PDs.

Significant increase in credit risk (SICR)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Quantitative criteria for determining the significant increase in credit risk are summarized in the below table:

Portfolio	Days past due
Corporate	More than 30 days
Retail	More than 30 days

Further, the Company reviews all exposures of ₹ 100,000 and above, this internal threshold inherently satisfies the CBO requirement as per circular BM 1149, in respect of corporate borrowers where the exposure is ₹ 500,000 or more, the Company also considers the occurrence of any one or more of the following events as evidence of significant increase in credit risk:

- Inadequate or unreliable financial and other information such as unavailability of audited financial statements.
- Non-cooperation by the borrower in matters pertaining to documentation.
- Borrower is the subject of litigation by third parties that may have a significant impact on his financial position.
- Frequent changes in senior management.
- Intra-Company transfer of funds without underlying transactions.

- Deferment / delay in the date for commencement of commercial operations by more than one year.
- Modification of terms resulting in concessions granted to the borrower including extension of moratorium, deferment of payment, waiver of covenants, etc. In applying this requirement, FLCs may be guided by the extant instructions of CBO in regard to treating an account as restructured.
- A fall of 25 percent or more in the turnover or in the earnings before interest and taxes (EBIT) as compared to the previous year.
- Erosion in net worth by more than 20 percent as compared to the previous year end coupled with an increase in leverage.
- A fall in the debt service coverage ratio to below 1.

Definition of default and credit-impaired assets

The Company considers a financial asset to be in default and credit impaired when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The borrower is past due more than 89 days on any material credit obligation to the Company. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default and credit impaired, the Company considers indicators that are:

- Qualitative - e.g. breaches of covenant;
- Quantitative - e.g. 90 days overdue status and non-payment on another obligation of the same borrower to the Company; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Company for regulatory capital purposes.

Measuring ECL - explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below:

PD estimates are estimates at a certain date, which are calculated using statistical models tailored to various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between buckets, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of Default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for undrawn loan commitment, the Company measures ECL over a period longer than the maximum contractual period if the Company's contractual ability to cancel the undrawn commitments does not limit the Company's exposure to credit losses to the contractual notice period. The Company can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Company becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Company expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Forward-looking information incorporated in the ECL models

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Risk Management Committee and economic experts and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios.

This process involves developing additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Company operates, supranational organisations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The economic scenarios used as at 31 December 2025 included the following ranges of key indicators for Sultanate of Oman for the years ending 31 December 2025 to 2029.

	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>
GDP growth	<u>2.9%</u>	<u>4.0%</u>	<u>3.7%</u>	<u>4.1%</u>	<u>3.8%</u>

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed considering Company's historical data and readily available papers issued by Basel committee on banking supervision.

For computation of ECL, the Company considers three scenario viz. base case, best case and worst case with weightage of 54%, 20% and 26% (2025: 54%, 20% and 26%) respectively.

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Credit quality analysis

Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in material accounting policies in Note 3.

	2026				
	ECL Staging				
	Stage 1	Stage 2	Stage 3		2025
	Lifetime ECL	Lifetime ECL	Lifetime ECL		
	not credit-	not credit-	credit-impaired		
	impaired	impaired			
	12-month ECL			Total	Total
	€	€	€	€	€
Instalment finance debtors:					
Standard	120,070,557	3,908,522	-	123,979,079	101,420,704
Special mention	-	-	476,507	476,507	968,891
Substandard	-	-	282,118	282,118	555,714
Doubtful	-	-	498,966	498,966	224,350
Loss	-	-	16,501,851	16,501,851	16,344,778
	120,070,557	3,908,522	17,759,442	141,738,521	119,514,437
Allowance for ECL	1,375,544	744,617	11,378,504	13,498,665	12,218,819
Allowance for ECL (Undrawn Commitments)					
	11,085	4	79	11,168	5,091
Carrying amount	118,683,928	3,163,901	6,380,859	128,228,688	107,290,527
Undrawn Commitments	2,819,870	1,352	29,185	2,850,407	2,253,885
Allowance for ECL	11,085	4	79	11,168	5,091
Net undrawn Commitments	2,808,785	1,348	29,106	2,839,239	2,248,794

Amounts arising from ECL

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity or there is no reasonable expectation of recovery. The outstanding contractual amounts of such assets written off during the period ended 31 March 2026 was Nil (2025: ~~₹~~ Nil) excluding overdue interest and charges.

Comparison of provision held as per IFRS 9 and required as per CBO norms

31 March 2026

Assets classification as per CBO Norms	Assets classification as per IFRS 9	Gross carrying amount '000	Provision required as per CBO Norms '000	Provisions held as per IFRS 9 '000	Difference between CBO provision required, and provision held '000 (6) = (4)-(5)	Net carrying amount as per CBO '000 (7) = (3)-(4)-(10)	Net carrying amount as per IFRS 9 '000 (8)= (3)-(5)-(10)	Interest recognized as per IFRS 9 norms '000 (9)	Reserve interest as per CBO norms '000 (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7) = (3)-(4)-(10)	(8)= (3)-(5)-(10)	(9)	(10)
Standard	Stage 1	120,071	346	1,347	(1,001))	119,696	118,695	2,993	29
	Stage 2	3,908	-	712	(712)	3,875	3,163	68	33
	Stage 3				-	-	-		
Special mention		123,979	346	2,059	(1,713)	123,571	121,858	3,061	62
Substandard	Stage 1				-	-	-		
	Stage 2				-	-	-		
	Stage 3	477	23	119	(96)	438	342	7	16
		477	23	119	(96)	438	342	7	16
Doubtful	Stage 1				-	-	-		
	Stage 2				-	-	-		
	Stage 3	282	66	91	(25)	198	173	3	18
		282	66	91	(25)	198	173	3	18
Loss	Stage 1				-	-	-		
	Stage 2				-	-	-		
	Stage 3	499	192	127	65	271	336	2	36
		499	192	127	65	271	336	2	36
Other items not covered under CBO circular BM 977 and related instructions	Stage 1				-	-	-		
	Stage 2				-	-	-		
	Stage 3	16,502	11,393	9,271	2,122	3,409	5,531	27	1,700
		16,502	11,393	9,271	2,122	3,409	5,531	27	1,700
Total	Stage 1				-	-	-		
	Stage 2				-	-	-		
	Stage 3	17,760	11,674	9,608	2,066	4,316	6,382	39	1,770
		141,739	12,020	11,678	342	127,887	128,229	3,100	1,832

31 March 2025

Assets classification as per CBO Norms	Assets classification as per IFRS 9	Gross carrying amount ₹ '000	Provision required as per CBO Norms ₹ '000	Provisions held as per IFRS 9 ₹ '000	Difference between CBO provision required, and provision held ₹ '000 (6) = (4)-(5)	Net carrying amount as per CBO ₹ '000 (7) = (3)-(4)-(10)	Net carrying amount as per IFRS 9 ₹ '000 (8) = (3)-(5)-(10)	Interest recognized as per IFRS 9 norms ₹ '000 (9)	Reserve interest as per CBO norms ₹ '000 (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7) = (3)-(4)-(10)	(8) = (3)-(5)-(10)	(9)	(10)
Standard	Stage 1	98,760	243	955	(712)	98,485	97,773	2,399	32
	Stage 2	2,660	-	459	(459)	2,606	2,147	25	54
	Stage 3	-	-	-	-	-	-	-	-
Special mention	Stage 1	101,420	243	1,414	(1,171)	101,091	99,920	2,424	86
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-
Substandard	Stage 1	969	47	267	(220)	887	667	10	35
	Stage 2	969	47	267	(220)	887	667	10	35
	Stage 3	-	-	-	-	-	-	-	-
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	556	132	122	10	397	407	5	27
Loss	Stage 1	556	132	122	10	397	407	5	27
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	224	89	36	53	117	170	1	18
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	224	89	36	53	117	170	1	18
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	16,345	11,112	8,595	2,517	3,614	6,131	42	1,619
Total	Stage 1	16,345	11,112	8,595	2,517	3,614	6,131	42	1,619
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	-	-	5	(5)	-	(5)	-	-
	Stage 1	98,760	243	960	(717)	94,485	97,768	2,399	32
	Stage 2	2,660	-	459	(459)	2,606	2,147	25	54
	Stage 3	18,094	11,380	9,020	2,360	5,015	7,375	58	1,699
		119,514	11,623	10,439	1,184	106,106	107,290	2,482	1,785

The gross carrying amount in the above table represents the classification of instalment finance debtors as per the requirements of IFRS 9.

Instalment finance debtors with renegotiated terms

Instalment finance debtors with renegotiated terms are defined as instalment finance debtors that have been restructured due to a deterioration in the borrower's financial position, for which the Company has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the Company had provided initially and that it would not otherwise consider. A instalment finance debtors continues to be presented as part of instalment finance debtors with renegotiated terms until maturity, early repayment or write-off.

Renegotiated finance debtors as at 31 March 2026 was ₪ 5.23 million (2025: ₪ 4.16 million). Out of these finance debtors amounting to ₪ 4.17 million (2025: ₪ 3.12 million) were impaired at the time of renegotiation. Modification gains or losses arising from renegotiated accounts is immaterial.

Restructured accounts

31 March 2026

<i>Assets classification as per CBO Norms</i>	<i>Assets classification as per IFRS 9</i>	<i>Gross carrying amount</i>	<i>Provision required as per CBO Norms</i>	<i>Provisions held as per IFRS 9</i>	<i>Difference between CBO provision required and provision held</i>	<i>Net carrying amount as per CBO</i>	<i>Net carrying amount as per IFRS9</i>	<i>Interest recognized as per IFRS 9</i>	<i>Reserve interest as per CBO norms</i>
(1)	(2)	(3) ₪ '000	(4) ₪ '000	(5) ₪ '000	(6)=(4)-(5) ₪ '000	(7)=(3)-(4)-(10) ₪ '000	(8)=(3)-(5)-(10) ₪ '000	(9) ₪ '000	10 ₪ '000
Classified as performing	Stage 1	17	-	4	(4)	17	13	1	-
	Stage 2	1,727	-	432	(432)	1,722	1,295	30	5
	Stage 3	-	-	-	-	-	-	-	-
		1,744	-	436	(436)	1,739	1,308	31	5
Classified as non-performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	3,481	1,886	1,681	205	1,240	1,445	11	355
		3,481	1,886	1,681	205	1,240	1,445	11	355
Total	Stage 1	17	-	4	(4)	17	13	1	-
	Stage 2	1,727	-	432	(432)	1,722	1,295	30	5
	Stage 3	3,481	1,886	1,681	205	1,240	1,445	11	355
		5,225	1,886	2,117	(231)	2,979	2,753	42	360

31 March 2025

		<i>Assets</i>	<i>Gross</i>	<i>Provision</i>	<i>Difference</i>	<i>Net carrying</i>	<i>Net carrying</i>	<i>Interest</i>	<i>Reserve</i>
<i>Assets classification as per CBO Norms</i>		<i>classification as per IFRS 9</i>	<i>carrying amount</i>	<i>required as per CBO Norms</i>	<i>between CBO provision required and provision held</i>	<i>amount as per CBO</i>	<i>amount as per IFRS9</i>	<i>recognized as per IFRS 9</i>	<i>interest as per CBO norms</i>
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)=(3)-(4)-(10)	(8)=(3)-(5)-(10)	(9)	10
		<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000
Classified as performing	Stage 1	279	-	52	(52)	276	227	4	3
	Stage 2	596	-	208	(208)	566	388	(12)	30
	Stage 3	-	-	-	-	-	-	-	-
		<u>875</u>	<u>-</u>	<u>260</u>	<u>(260)</u>	<u>842</u>	<u>615</u>	<u>8</u>	<u>33</u>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	3,287	1,534	1,394	140	1,431	1,571	10	322
		<u>3,287</u>	<u>1,534</u>	<u>1,394</u>	<u>140</u>	<u>1,431</u>	<u>1,571</u>	<u>10</u>	<u>322</u>
Total	Stage 1	279	-	52	(52)	276	227	4	3
	Stage 2	596	-	208	(208)	566	388	(12)	30
	Stage 3	3,287	1,534	1,394	140	1,431	1,571	10	322
		<u>4,162</u>	<u>1,534</u>	<u>1,654</u>	<u>(120)</u>	<u>2,273</u>	<u>2,186</u>	<u>2</u>	<u>355</u>

Impairment allowance and loss as at 31 March 2026 and 2025:

	<i>As per CBO Norms</i>		<i>As per IFRS 9</i>		<i>Difference</i>	
	2026	2025	2026	2025	2026	2025
	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>
Impairment loss charged to profit and loss account (<u>₹</u>)	222	(47)	315	306	93	353
Provisions required as per CBO norms / held as per IFRS 9 (<u>₹</u>)*	13,852	13,408	13,510	12,224	(342)	(1,184)
Gross NPL ratio %	12.53	15.14	12.53	15.14	-	-
Net NPL ratio %	3.06	4.42	3.31	5.47	0.25	1.05

* Provisions required as per CBO norms and provisions held as per IFRS 9 disclosed above for the period ended 31 March 2026 and 31 March 2025 include reserve interest.

Concentrations of credit risk

Concentration of risk is managed by client/counterparty and by industry sector exposures. There is no significant credit exposure relating to instalment finance debtors to any single counterparty as of 31 March 2026. An industry sector analysis of the Company's Instalment finance debtors (net) before considering collateral held is as follows:

	2026	2025
	<u>₹</u>	<u>₹</u>
Personal / car loans	31,503,267	34,094,776
Corporate loan:		
Services	53,130,036	39,706,067
Construction contracts	12,306,008	13,531,513
Construction equipment	3,431,743	2,914,108
Manufacturing	9,122,598	9,200,838
Trading	13,155,426	3,526,467
Other	5,579,610	4,316,758
	<u>128,228,688</u>	<u>107,290,527</u>

Credit quality per class of financial assets

The credit quality of financial assets is regularly monitored by the Company.

Aging analysis of past due but not impaired instalment finance debtors after deduction of unearned finance income is set out as below:

	2026	2026
	<u>₹</u>	<u>₹</u>
1 to 89 days	<u>3,799,132</u>	<u>4,187,653</u>

Aging analysis of past due and impaired instalment finance debtors after deduction of unearned finance income is set out as below:

	2026	2025
	<u>₹</u>	<u>₹</u>
90 to 364 days	1,257,591	1,748,955
365 days and above	16,501,851	16,344,778
	<u>17,759,442</u>	<u>18,093,733</u>

All instalment finance debtors extended by the Company are against security of assets financed and in certain cases, if required, against additional security. All instalment finance debtors are additionally secured by personal guarantees of the borrowers.

The Company limits its credit risk with regard to bank deposits by dealing with reputable banks.

Market risk

Market risk is the risk of loss due to adverse changes in interest rates and foreign exchange rates. The Company does not actively participate in trading in debts, equity securities, and foreign exchange or derivative instruments.

Foreign exchange risk

Currency risk arises from the possibility of changes in the value of financial assets due to changes in the foreign currency rates. The Company invested in a Finance Company operates in Kuwait valued at □ 831,356 as of 31 March 2026 (2025: □ 831,356). Most of the Company's transactions are denominated in the functional currency. As there is an exchange parity agreement between Oman and the United States of America, the exchange rates have remained stable over the years. Accordingly, foreign exchange risk is considered to be minimal

Interest rate risk

Interest rate risk is the uncertainty of future earnings resulting from fluctuations in interest rates. The risk arises when there is a mismatch in the assets and liabilities, which are subject to interest rate adjustment within a specified period. The Company manages this risk by matching the re-pricing of assets and liabilities and through risk management strategies. The loans extended by the Company are for periods varying from one to over five years are at fixed interest rates, albeit with interest variance clause. However, any re-pricing of the Company's liabilities by its lenders due to economic factors would result to some extent in interest rate risk. The Company mitigates this risk by matching the tenure of its assets and liabilities by availing long-term funds from its lenders at fixed interest rates.

The interest rates on borrowings with banks are subject to change upon re-negotiation of the facilities which takes place on an annual basis in the case of overdrafts and at more frequent intervals in the case of short-term loans. The Company uses sensitivity analysis to analyse and measure interest rate on the variable cost of borrowings. Management estimates that the Company's interest costs are sensitive to the extent that change in 100 basis points in the average funding cost would change net interest income.

The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's financial instruments and other assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

<i>31 March 2026</i>	<i>0 - 6 Months</i>	<i>6 - 12 months</i>	<i>1 - 2 years</i>	<i>2 - 3 years</i>	<i>More than 3 years</i>	<i>Fixed rate or non-interest sensitive</i>	<i>Total</i>
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Assets							
Investment securities	-	-	-	-	-	831,356	831,356
Deposit with Central Bank of Oman**	-	-	-	-	-	250,000	250,000
Instalment finance debtors***	21,438,445	18,323,496	28,336,106	22,988,566	37,142,075	-	128,228,688
Other assets	-	-	-	-	-	1,003,676	1,003,676
Cash and cash equivalents	2,283,650	-	-	-	-	-	2,283,650
TOTAL FINANCIAL ASSETS	23,722,095	18,323,496	28,336,106	22,988,566	37,142,075	2,085,032	132,597,370
Equity and liabilities							
Borrowings	30,201,727	5,343,000	3,664,500	1,000,000	250,000	-	40,459,227
Corporate deposits*	4,342,562	7,789,410	1,350,000	1,500,000	-	-	14,981,972
Unsecured non-convertible bonds ****	345,205	-	-	14,847,387	-	-	15,192,592
Unsecured non-convertible dividend bonds *****	45,589	-	-	-	1,246,446	-	1,292,035
Creditors and other payables	13,183,470	104,351	-	-	-	265,900	13,553,721
TOTAL FINANCIAL LIABILITIES	48,118,553	13,236,761	5,014,500	17,347,387	1,496,446	265,900	85,479,547
Interest rate sensitivity gap	(24,396,458)	5,086,735	23,321,606	5,641,179	35,645,629	1,819,132	47,117,823
Cumulative gap	(24,396,458)	(19,309,723)	4,011,883	9,653,062	45,298,691	47,117,823	-

* Corporate deposits are at market rates with interest rates within the range of 4.5% to 7%

** Effective interest rate is considered at 1.5% per annum.

*** Instalment finance debtors are at market rates with interest rates within the range of 1.7% to 19.12%

**** Unsecured Non-convertible Senior Bonds are issued at an interest rate of 7% per annum

***** Unsecured non-convertible dividend bonds are issued at an interest rate of 5% per annum

<i>31 March 2025</i>	<i>0 - 6 Months</i>	<i>6 - 12 months</i>	<i>1 - 2 years</i>	<i>2 - 3 years</i>	<i>More than 3 years</i>	<i>Fixed rate or non-interest sensitive</i>	<i>Total</i>
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Assets							
Investment securities	-	-	-	-	-	831,356	831,356
Deposit with Central Bank of Oman**	-	-	-	-	-	250,000	250,000
Instalment finance debtors***	15,969,361	15,643,073	24,860,464	18,605,061	32,212,568	-	107,290,527
Other assets	-	-	-	-	-	773,108	773,108
Cash and cash equivalents	1,682,273	-	-	-	-	-	1,682,273
TOTAL FINANCIAL ASSETS	<u>17,651,634</u>	<u>15,643,073</u>	<u>24,860,464</u>	<u>18,605,061</u>	<u>32,212,568</u>	<u>1,854,464</u>	<u>110,827,264</u>
Liabilities							
Borrowings	25,974,723	4,620,778	7,186,000	2,664,500	-	-	40,446,001
Corporate deposits*	4,498,143	8,108,861	1,355,000	1,000,000	-	-	14,962,004
Creditors and other payables	9,393,651	136,082	-	-	-	243,063	9,772,796
TOTAL FINANCIAL LIABILITIES	<u>39,866,517</u>	<u>12,865,721</u>	<u>8,541,000</u>	<u>3,664,500</u>	<u>-</u>	<u>243,063</u>	<u>65,180,801</u>
Interest rate sensitivity gap	<u>(22,214,883)</u>	<u>2,777,352</u>	<u>16,319,464</u>	<u>14,940,561</u>	<u>32,212,568</u>	<u>1,611,401</u>	<u>45,646,463</u>
Cumulative gap	<u>(22,214,883)</u>	<u>(19,437,531)</u>	<u>(3,118,067)</u>	<u>11,822,494</u>	<u>44,035,062</u>	<u>45,646,463</u>	<u>-</u>

* Corporate deposits are at market rates with interest rates within the range of 4.5% to 7.1%

** Effective interest rate is considered at 1.5% per annum.

*** Instalment finance debtors are at market rates with interest rates within the range of 1.7% to 19.12%

Liquidity risk

Liquidity risk is that an entity will encounter when it is unable to meet its obligations at any given time. The Company's conservative liability management policies are designed to ensure that even in adverse situations the Company should be in a position to meet its obligations. In normal conditions the objective is to ensure that there are sufficient funds available not only to meet current financial commitments but also to facilitate business expansion. The objectives are met through the application of prudent liquidity

The amounts disclosed in table below analyses the Company's financial instruments and other assets and liabilities into relevant maturity based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances, as the impact of the discounting is not significant.

<i>31 March 2026</i>	<i>0 – 6 months <u>₹</u></i>	<i>6 – 12 months <u>₹</u></i>	<i>1 - 2 years <u>₹</u></i>	<i>2 - 3 years <u>₹</u></i>	<i>More than 3 years <u>₹</u></i>	<i>Non-fixed maturity <u>₹</u></i>	<i>Total <u>₹</u></i>
Assets							
Investment securities	-	-	-	-	-	831,356	831,356
Deposit with Central Bank of Oman	-	-	-	-	-	250,000	250,000
Instalment finance debtors	26,966,551	23,490,128	36,258,479	28,071,067	42,755,749	-	157,541,974
Other assets	1,003,676	-	-	-	-	-	1,003,676
Cash and cash equivalents	2,283,650	-	-	-	-	-	2,283,650
TOTAL	30,253,877	23,490,128	36,258,479	28,071,067	42,755,749	1,081,356	161,910,656
Liabilities							
Borrowings	30,623,033	5,604,904	3,843,512	1,048,630	252,012	-	41,372,091
Corporate deposits	4,718,249	7,995,620	1,495,623	1,514,414	-	-	15,723,906
Unsecured non-convertible bonds	870,205	525,000	1,050,000	15,022,387	-	-	17,467,592
Unsecured non-convertible dividend bonds	76,750	31,161	62,322	62,322	1,324,349	-	1,556,904
Creditors and other payables	13,183,470	104,351	-	-	-	265,900	13,553,721
Current tax liabilities	-	-	-	-	-	658,858	658,858
Deferred tax liabilities	-	-	-	-	-	24,658	24,658
TOTAL LIABILITIES	49,471,707	14,261,036	6,451,457	17,647,753	1,576,361	949,416	90,357,730
Gap in maturity	(19,217,830)	9,229,092	29,807,022	10,423,314	41,179,388	131,940	71,552,926
Cumulative gap in maturity	(19,217,830)	(9,988,738)	19,818,284	30,241,598	71,420,986	71,552,926	-

The Company also maintains sufficient unutilized credit facilities to address any liquidity risk. As at 31 March 2026, the total unutilized committed credit lines stood at ₹ 25 million.

31 March 2025	0 – 6 months ₪	6 – 12 months ₪	1 - 2 years ₪	2 - 3 years ₪	More than 3 years ₪	Non-fixed maturity ₪	Total ₪
Assets							
Investment securities	-	-	-	-	-	831,356	831,356
Deposit with Central Bank of Oman	-	-	-	-	-	250,000	250,000
Instalment finance debtors	20,469,609	19,854,140	31,280,437	22,700,774	36,943,074	-	131,248,034
Other assets	773,108	-	-	-	-	-	773,108
Cash and cash equivalents	1,682,273	-	-	-	-	-	1,682,273
TOTAL	22,924,990	19,854,140	31,280,437	22,700,774	36,943,074	1,081,356	134,784,771
Liabilities							
Borrowings	26,575,177	4,921,917	7,515,714	2,732,548	-	-	41,745,356
Corporate deposits	4,735,685	8,222,715	1,467,140	1,052,356	-	-	15,477,896
Creditors and other payables	9,393,651	136,082	-	-	-	243,063	9,772,796
Current tax liabilities	-	-	-	-	-	469,601	469,601
Deferred tax liabilities	-	-	-	-	-	24,658	24,658
TOTAL LIABILITIES	40,704,513	13,280,714	8,982,854	3,784,904	-	737,322	67,490,307
Gap in maturity (excluding off balance sheet items)	(17,779,523)	6,573,426	22,297,583	18,915,870	36,943,074	344,034	67,294,464
Cumulative gap in maturity	(17,779,523)	(11,206,097)	11,091,486	30,007,356	66,950,430	67,294,464	-

Capital management

The primary objective of the Company’s capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in the light of changes in business conditions. No changes were made in the objectives, policies or processes during the year. Capital comprises share capital, legal reserve, special reserve and retained earnings, and is measured at ₹ 49.34 million as at 31 March 2026 (2025: ₹ 47.98 million).

The Company is in compliance with the Central Bank of Oman’s minimum capital requirement of ₹ 25 million.

Consistent with the regulations prevailing in the industry, the Company monitors capital on the basis of the gearing and leverage ratios. The gearing ratio is calculated as total borrowing (including ‘current and non-current borrowings’) divided by total equity as shown in the statement of financial position. Leverage ratio is calculated as total outside liabilities divided by net worth (excluding specific reserves and proposed dividends).

During 2026 and 2025, the Company’s strategy was to maintain the gearing and leverage ratios within 5 times of the equity. The gearing and leverage ratios at 31 March 2026 and 2025 were as follows:

	2026 <u>₹</u>	2025 <u>₹</u>
Total borrowings	70,634	55,408
Total other liabilities	85,479	65,181
Total equity	49,338	47,976
Net worth (defined above)	45,572	43,469
Gearing ratio (times)	1.43	1.16
Leverage ratio (times)	1.88	1.50

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Figures have been rounded off to the nearest ₹ unless otherwise stated.

