A. Raghavendra Rao & Associates.,
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
NABFINS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Standalone Financial Statements of NABFINS Limited, which comprise the Balance Sheet as at March 31, 2026, and the Statements of Profit and Loss (including Other Comprehensive Income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and Other Explanatory Information (hereinafter together referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other Accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2026, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act (SA's). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India('ICAI') together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and Rules made thereunder, we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matters:

We draw attention to Note 35(iv) to the standalone financial statements, which explains that during the year ended March 31, 2026, the Company has changed its accounting treatment in respect of gratuity obligations to align with the requirements of Indian Accounting Standards (Ind AS) 19, Employee Benefits, based on actuarial valuation. Consequently, the Company has recognized a defined benefit plan asset amounting to Rs. 84.74 lakhs as on March 31, 2026, and has also restated the comparative financial information for the year ended March 31, 2025, resulting in recognition of a defined benefit plan asset of Rs. 198.69 lakhs in respect of prior periods. Our opinion is not modified in respect of this matter.

We further draw attention to Note 35(v) to the financial statements regarding the Company's accounting for leave encashment obligations under Indian Accounting Standards (Ind AS) 19, Employee Benefits. During the year, the Company has commenced accounting for leave encashment obligations based on actuarial valuation in accordance with the requirements of Ind AS 19. Consequently, the Company has recognized a defined benefit obligation amounting to Rs. 360.70 lakhs as on March 31, 2026. Further, the comparative financial information for the year ended March 31, 2025, has been restated, resulting in a decrease in leave encashment expense by Rs. 44.04 lakhs pertaining to earlier years, along with the related disclosures in the aforesaid note.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters arising out of certain special audit circumstances during the year which, in our opinion, need to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets at balance sheet date (including provision for expected credit losses) (as described in Note No 27 of the Ind AS financial statements) Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: 1. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. 2. Grouping of loan portfolio under homogenous pools to determine probability of default on a collective basis. 3.Determining effect of less frequent past events on future probability of default.	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company.

In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonable and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different to the ECL estimates prepared by the Company depending upon the various regulatory and policy measures announced by the Government. Given the high degree of management's judgement involved in estimation of ECL, because of which the same has been identified as a key audit matter.	Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 109. This being technical matter reliance has been placed on the management's assumptions for recovery etc. in future.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the Financial Highlights, Board's Report, Corporate Governance Report but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on, in this regard.

Responsibility of the Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other Accounting Principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i)planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act. read with the Companies (Indian Accounting Standards) Rules,2015 (as amended and applicable to the current financial year)

e. On the basis of the written representations received from the directors as on March 31, 2026, and taken on record by the Board of Directors, none of the directors were disqualified as on March 31, 2026 from being appointed as directors in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B" to this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The financial statements disclose the impact of pending litigations as at 31 March 2026 on the financial position of the Company - Refer Note 47 to the standalone financial statements.

ii. The Company did not have any long-term contract including derivate contract for which there were any material foreseeable losses as at March 31, 2026.

iii. There were no unpaid dividend amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

iv. As required by section 143 (5) of the Act, we give in Annexure C a statement on the matters specified by the Comptroller and Audit General of India for the Company.

v. (a) The Management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually and in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b)The management has represented, that, to the best of their knowledge and belief, no funds (Which are material either individually or in aggregate) have been received by the Company, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c)Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

vi. The Company has not declared or paid any dividend during the year under Section 123 of the Companies Act, 2013.

vii. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For A. Raghavendra Rao & Associates.,
Chartered Accountants
Firm Reg No: 003324S

CA Gopala Krishna Bhat T M
Partner
M.No: 019798
UDIN: 26019798KBJGKV6850

Place: Bengaluru
Date: 08-05-2026

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Auditor's Report of even dated to the Members of NABFINS Limited on the Standalone Financial Statements for the year ended March 31, 2026)

Based on our audit and taking into consideration the information and explanations given to us by the Company and the books of accounts and other records examined by us during the normal course of audit, and to the best of our knowledge and belief, we report that;

1. (a) (A) In our opinion and based on the information and explanations provided by the management, the Company has maintained up to date records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

   (B) The company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular program of physical verification to cover all the items of property, plant & equipment's in a phased manner, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

   (c) The title deeds, comprising all the immovable properties, are held in the name of the Company as at the Balance Sheet date.

   (d) The Company has not revalued its Property, Plant and Equipment during the year

   (e) According to the information and explanations given to us there are no proceedings that have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made there under. Accordingly reporting under clause 3(i)(v) of the order is not applicable to the Company.

2. (a) The Company business does not involve inventories, accordingly, reporting under clause 3(ii) of the order is not applicable to the company.

   (b) The Company has not availed working capital from banks on the basis of security of current assets. Accordingly reporting under clause of the order is not applicable to the Company.

3. The Company during the year has not made investments in, provided any guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties. Further, the Company's principal business is to give loans. Accordingly reporting under clause 3(iii) of the order is not applicable to the Company.

4. The Company has not granted any loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly reporting under clause 3 (iv) of the order is not applicable to the Company.

5. The Company has not accepted deposits or amounts which are deemed to be deposits during the year, accordingly, reporting under clause 3(v) of the order is not applicable to the company.

6. The maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Accordingly reporting under clause 3 (vi) of the order is not applicable to the Company.

7. According to the information and explanation given to us, in respect of statutory dues:
   (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

   There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	**Nature of dues**	**Gross Amount (₹)**	**Amount paid Under Protest (₹)**	**Period to which the amount relates**	**Forum where dispute is pending**	**Remarks, if any**
Income Tax Act	Income Tax Demand (The Company has Filed an appeal with the Commissioner of Income Tax, Appeal and hearing is awaited)	₹ 2,779.47 lakhs	Nil	Asst Year 2018-2019	Commissioner of Income Tax (Appeals)	Nil
Income Tax Act	Income Tax Demand (The Company has Filed an appeal with the Commissioner of Income Tax, Appeal and hearing is awaited)	₹ 541.15 lakhs	Nil	Asst Year 2023-2024	Commissioner of Income Tax (Appeals)	Nil

8. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the repayment of interest thereon to any lender. Accordingly, provisions of paragraph 3(ix) of the order are not applicable to the Company.

   (b) According to the information and explanations given to us, and on the basis of our audit procedures, we report that the Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, and on the basis of our audit procedures, we report that the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained

(d) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes by the Company

(e) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the Company, we report that the Company is not having subsidiaries, associates or joint ventures. Accordingly, provisions of this clause of the order are not applicable to the Company.

(f) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the Company, we report that the Company does not have subsidiaries, associates or joint ventures. Accordingly, provisions of this clause of the order are not applicable to the Company.

10. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

    (b) In our opinion, according to the information and explanations given to us Company has not made any preferential allotment or private placement of shares or convertible debentures. Accordingly, provisions of paragraph 3 (x)(b) of the Order are not applicable to the Company.

11. Based on audit procedures performed and as per the information and explanations given to us by the Management.

    (a) In Accordance with the auditing standards generally accepted in India, the Company has not noticed or reported any fraud during the year except misappropriation of cash through embezzlement by employees / B&DC aggregating to Rs.83.09 lakh, of which Rs.36.86 lakh has been recovered. Please refer Note number 63 of financial statement.

    (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

    (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

12. The Company is not a ‘Nidhi Company’, therefore, clause 3(xii) of the Companies (Auditor’s Report) Order, 2020 is not applicable to the Company.

13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

14. a) On our examination, the company has an internal audit system commensurate with the size and nature of its business and required to have an internal audit system as per provisions of section 138 of the Companies Act 2013.

    b) The reports of the Internal Auditors for the period under audit were considered by us, only to the extent made available to us.

15. According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with its directors as referred to in Section 192 of Companies Act, 2013.

16. (a) In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution and such registration has been obtained by the Company. Vide Certificate No. CoR No. 02-00001 dt. 18.11.2008.

    s(b)The Company has conducted Non-Banking Financial Activity with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

    (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence commenting on this clause 3 xvi (c) and (d) does not arise

17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year and according to the requirement to report on Clause 3(xviii) of the Order is not applicable.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanation given to us, and the procedures performed by us, and on overall examination of financial statements of the company, we report that:

    (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

    (b) The Company has transferred the unspent amount, in respect of “Ongoing projects” to a special account within a period of thirty days from the end of the financial year in compliance with the provisions of sub-section (6) of section 135 of the said act.

21. The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For A. Raghavendra Rao & Associates.,
Chartered Accountants
Firm Reg No: 003324S

CA Gopala Krishna Bhat T M
Partner
M.No: 019798
UDIN: 26019798KBJGKV6850

Place: Bengaluru
Date: 08-05-2026

‘ANNEXURE B’ TO THE INDEPENDENT AUDITOR ’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Auditor’s Report of even dated to the Members of NABFINS Limited on the Standalone Financial Statements for the year ended March 31, 2026)

Independent Auditor’s Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the Internal Financial Controls over Financial Reporting of NABFINS Limited (the Company’) as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls Over Reporting, and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting includes obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls over Financial Reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with Generally Accepted Accounting

Principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For A. Raghavendra Rao & Associates.,
Chartered Accountants
Firm Reg No: 003324S

CA Gopala Krishna Bhat T M
Partner
M.No: 019798
UDIN: 26019798KBJGKV6850

Place: Bengaluru
Date: 08-05-2026

‘ANNEXURE C’ TO THE INDEPENDENT AUDITOR ’S REPORT

(Refer to Paragraph 2(h)(iv), under ‘Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even dated to the Members of NABFINS Limited on the Standalone Financial Statements for the period ended March 31, 2026)

1. RBI provided a window (Vide circular dated 6 Aug 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid 19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI circulars?

Based on the information and explanations provided to us and the records examined during our audit, the Company has not undertaken or implemented any restructuring/resolution plan in respect of borrower accounts under the RBI Circular dated 6 August 2020 relating to the Prudential Framework for Resolution of COVID-19 related stress. Accordingly, there were no restructured accounts during the year which required verification of compliance with the conditions, disclosures, and other requirements prescribed under the aforesaid RBI circulars.

2. Whether the investible funds received by company were invested in accordance with the directions of the applicable Statutory Regulators (regulations and rules framed by them).

Based on our audit and taking into consideration the information and explanations given to us by the Company and the books of accounts and other records examined by us during the normal course of audit, to the best of our knowledge, the Company has not received any investible funds during the year to which the directions, regulations, or rules prescribed by the applicable statutory regulators are applicable. Accordingly, reporting on whether such funds were invested in compliance with the applicable regulatory directions is not applicable.

3. Whether the funds invested under the schemes/products by the company are in compliance with the directions of Investment Committee, Risk Committee constituted by Board, Investment Manual etc. which prescribes the process/procedure, threshold, exposure limits, quality of security etc.

Based on the information and explanations provided to us and the records examined during the course of our audit, the investments made by the Company under the respective schemes/products were in compliance with the directions and guidelines prescribed by the Investment Committee, Risk Committee constituted by the Board, Investment Manual, and other applicable internal policies and procedures, including the prescribed process/procedure, exposure limits, threshold limits, and quality/security norms.

For A. Raghavendra Rao & Associates.,
Chartered Accountants
Firm Reg No: 003324S

CA Gopala Krishna Bhat T M
Partner
M.No: 019798
UDIN: 26019798KBJGKV6850

Place: Bengaluru
Date: 08-05-2026