Annual Report 2025-26

SMFG Grihashakti
Nayi Asha. Naya Vishwas.

Fulfilling Dreams. Empowering Lives.

Contents

Corporate Overview

Statutory Reports

Financial Statements

Fulfilling Dreams. Empowering Lives.

A home is one of life's most meaningful milestones. It represents security, stability, dignity, and the confidence to build a stronger future. At SMFG Grihashakti, we are committed to making this aspiration accessible to families across India by enabling homeownership through responsible and inclusive housing finance.

Every customer's journey reflects an aspiration taking shape, a first home, a better living environment, greater financial confidence, and improved opportunities for future generations. With nearly 70,000+ customers supported through homeownership, our journey continues to be defined by the lives we help strengthen and the communities we help shape.

As the demand for affordable housing accelerates across Tier 2, Tier 3, and Tier 4 markets, we are expanding our reach with a strong branch network, disciplined processes, and a customer-focused approach. Backed by the SMFG Group, we are strengthening our foundation through sound governance, prudent risk management, and long-term value creation.

Many of our customers are first-time borrowers navigating informal income structures and evolving financial realities. Understanding their needs requires a combination of technology-led efficiencies, analytics-driven decision-making, local-market expertise, and meaningful human engagement. This approach helps us deliver timely solutions while building trust and confidence throughout the homeownership journey.

This year, the philosophy of Being SARVOTTAM guided our approach towards higher standards of execution, collaboration, service quality, and accountability across the organisation. It reflects a shared commitment to operate with agility, empathy, discipline, and purpose while remaining closely connected to customer aspirations.

As we move forward, our focus remains clear: fulfilling dreams through accessible housing finance and empowering lives by creating pathways to long-term security, progress, and opportunity.

This is Us

Empowering India's Affordable Homeownership Vision

SMFG India Home Finance Company Limited (SMHFC/ SMFG Grihashakti) is one of India's leading affordable housing finance companies committed to inclusive, accessible and responsible homeownership. A wholly-owned subsidiary of SMFG India Credit Company Limited which is backed by Japan's global powerhouse, Sumitomo Mitsui Financial Group (SMFG). We combine international governance with on-ground insights to serve aspiring homeowners across metros, urban, and semi-urban India.

We offer housing loans and allied products tailored for first-time borrowers and self-employed individuals overlooked by traditional banks. We drive market penetration and exceptional customer experience by leveraging our regional reach.

Built on the purpose of Being SARVOTTAM, we also champion meaningful CSR initiatives in healthcare, livelihood creation, and environmental sustainability. For us, every loan is an investment in human dignity; empowering families with the stability they need to build a better tomorrow.

203
Branches

17,314
Loans disbursed

Product Portfolio

Housing Loans

- Home Loan
- Home Construction Loan
- Home Improvement Loan
- Home Loan Balance Transfer
- Home Extension Loan
- Home Purchase Loan
- Developer Finance for Residential Projects

Non-Housing Loans

- Commercial Property Purchase Loan
- Loan Against Property
- Developer Finance for Commercial Purposes

Our Vision

To be the Company of choice in financial services for our customers, employees, communities, and stakeholders; recognised for innovation and high ethical standards.

Our Mission

We are a responsible financial services partner.

We drive financial inclusion.

We foster innovation in everything we do.

We deliver product and solutions for customer delight.

We believe in our people and partner in their success.

We provide long-term and sustainable shareholder value, balancing risk and reward.

We are committed to enriching the communities we serve.

Driven by the Values

Integrity

Being transparent, fair, and guided by a strong, clear sense of ethics at all times.

Collaboration

Understanding the power of alliances and communication in an interdependent world and seeking new opportunities and partnerships to grow with.

Innovation

Thinking of newer ideas and better ways of working.

Diversity

Appreciating and celebrating the potential and power of differences and welcoming multiple perspectives, views, ideas, and cultures.

Excellence

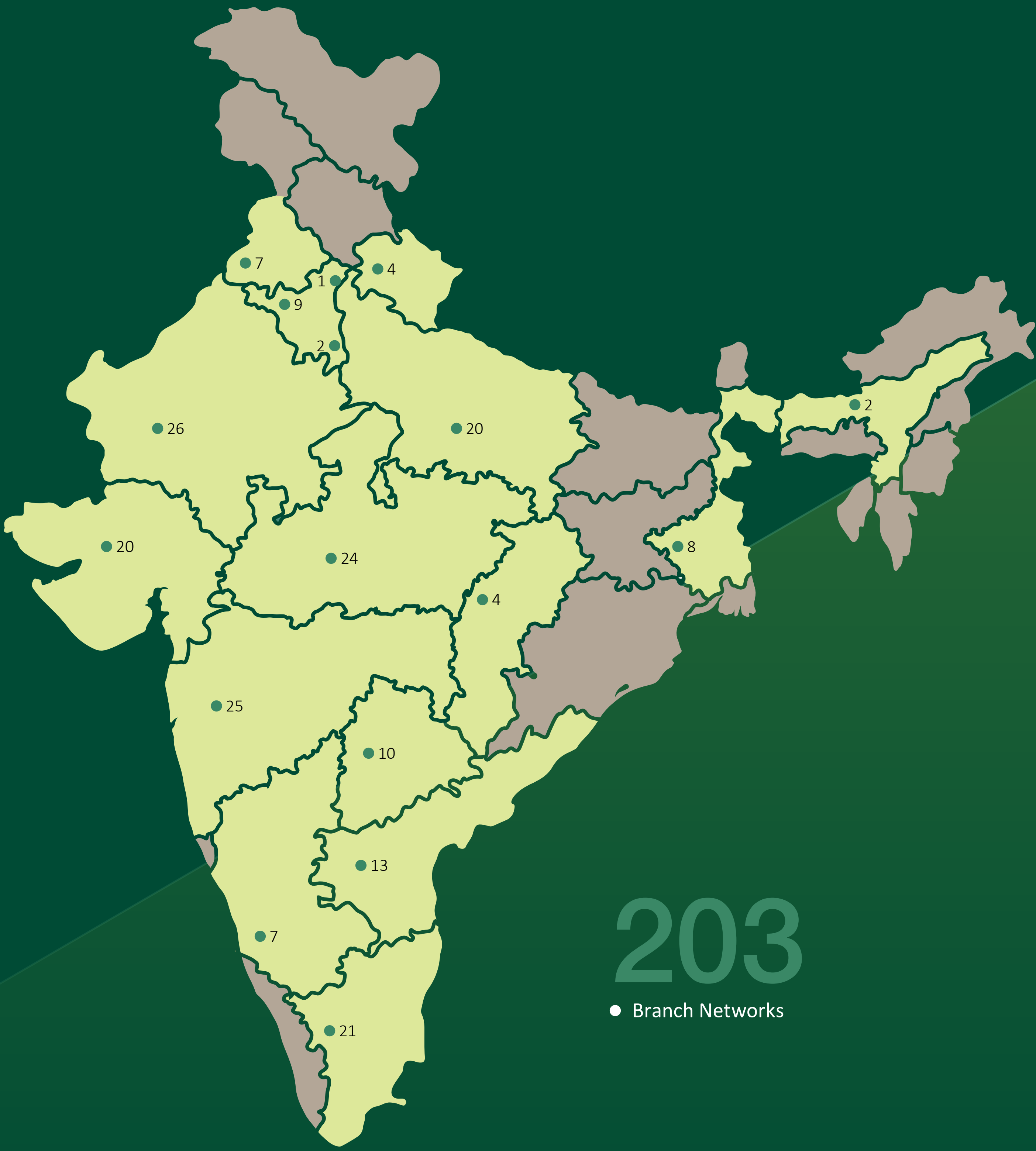
Following the highest quality standards and being committed to delivering the best to all our stakeholders.

Agility

Quickly responding to new ideas and situations; understanding change and rising to its challenges by remaining open and positive.

Our Presence

Reaching Far and Wide



203

- Branch Networks

Note: Map not to scale

Highlights of FY 2025-26

The Year in Numbers

Financial

₹12,859 cr
Assets Under Management

₹4,448 cr
Disbursements

₹169 cr
Profit Before Tax

₹126 cr
Profit After Tax

1.2%
ROA

7.8%
Return On Equity

22.5%
Capital Adequacy Ratio

1.8%
Net NPA

Non-financial

73,000+
Customers

2,860
Employee Headcount

30,000+
Beneficiaries under CSR

Our Journey

Milestones of Growth

2003-04

Fullerton Financial Holdings ('FFH'), Singapore is incorporated as a wholly-owned subsidiary of Temasek Holdings (P) Ltd.

2005-06

Fullerton India Credit Co. Ltd. ('FICCL') is acquired by Fullerton Financial Holdings ('FFH') in December 2005

2015-16

FICCL receives an HFC license with an equity infusion of **₹1,000 million**

2017-18

Crosses AUM of **₹10 billion** with the Company achieving profitability

2019-20

Company receives '**AAA**' rating by CRISIL and CARE

2021-22

SMFG, Japan acquires **74.9% stake** in SMICC (Parent) and AUM crosses **₹50 billion** (July 2022)

2023-24

- SMFG, Japan acquired the **remaining 25.1% stake** in SMICC (Parent Co.), taking its stake to **100%**
- AUM crosses **₹100 billion** in October 2024
- New Loan Origination System (LOS)
- **50,000+** customers are served

2025-26

- Exceeds **₹125 billion** AUM
- Team strength reaches **2,500+**
- **73,000+** customers are served

Product Portfolio

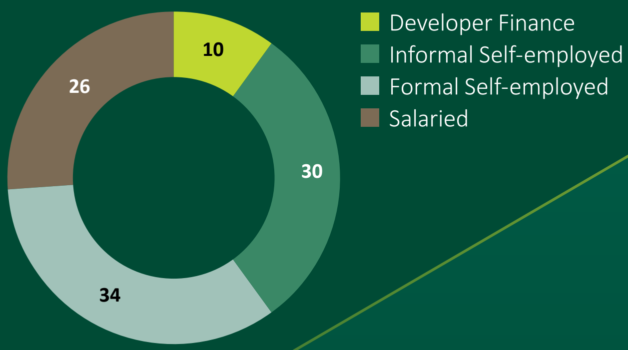
Diverse Solutions for Every Homebuyer's Needs

Our product portfolio is designed for inclusion, serving salaried individuals, self-employed professionals, and informal income earners across metros, urban, and semi-urban India. We focus on first-time homebuyers, micro-entrepreneurs, small business owners, and those with limited access to traditional banking. Our offerings are tailored to varied earning profiles and documentation realities.

In FY 2025-26, our presence across Tier 2, 3, and 4 locations was bolstered through our 'SARVOTTAM' approach, combining local market intelligence with tech-enabled processing. This helped ensure affordability, swift turnarounds, and the dignity of homeownership, serving segments mainstream finance overlooks.

AUM Share

Segments (%)



Salaried

- Formal employees across both government and private sectors
- Credit is primarily utilised for home purchase, construction, or property improvement
- Borrowers possess either single or multiple structured streams of income
- Features an average ticket size of ₹1.6 million, structural tenors spanning between 15 to 20 years, and typical Loan-to-Value (LTV) ratios between 60% and 90%
- Geared towards stable credit profiles, typically maintaining a bureau score of more than 700

Our Customer Proposition

- We consider both documented and cash income when assessing loan requirements. Our focus remains on delivering strong internal rate of return (IRR), swift turnaround time (TAT), and streamlined documentation processes

Formal Self-employed

- Geared towards proprietors of micro or small enterprises and independent traders
- Funds are predominantly utilised for business expansion and residential property purchases
- Features an average loan ticket size of approximately ₹2.4 million
- Designed with a comfortable repayment horizon spanning between 15 and 20 years
- Maintained with a LTV ratio between 50% and 80% and a benchmark bureau score exceeding 700

Our Customer Proposition

- We validate declared income using alternative documents such as tax returns and stock statements. Our offerings include competitive IRR, and we work directly with employees of the Company

Developer Finance

- Mid-tier developers
- Capital deployment exclusively for construction projects and related development costs
- Loans range from ₹10 million to ₹400 million, with a flexible tenor of 12 to 60 months

Our Customer Proposition

We provide funding for joint development and redevelopment projects, evaluated on standalone project security, with superior TAT compared to traditional banks

Informal Self-employed

- Comprises micro-entrepreneurs such as provision store owners, dairy farmers, etc.
- Primarily utilised for independent residential plot purchase and home construction
- Typically characterised by a lack of traditional documented income and limited formal banking footprints
- Average loan ticket size stands at ₹1.5 million with a structured tenor between 15 and 20 years
- Maintained prudently at a LTV ratio of approximately 60%, with a benchmark credit bureau score of more than 725

Our Customer Proposition

- We evaluate customers through personal visits, business/stock assessments, and a review of payment records and supplier references. Throughout the process, we ensure thorough documentation while keeping disruption to our customers' workflows to a minimum.

We are Your Partners in Prosperity

We believe everyone deserves a place to call home. Aligned with the government's 'Housing for All' vision under the Pradhan Mantri Awas Yojana (PMAY), we work to make homeownership accessible and affordable. Through PMAY's Credit-linked Subsidy Scheme, we facilitate interest subsidies for construction, improvement, purchase, and expansion of homes to help the Economically Weaker Section ('EWS'), Low Income Group ('LIG'), and Middle Income Group ('MIG') turn their homeownership aspirations into reality.

PMAY 2.0 Features

- Interest subsidy of 4.0% reduces financial burden, applicable on loans up to ₹1.8 lakhs
- Eligible for households with an annual income of up to ₹9 lakhs
- Loan eligibility of up to ₹25 lakhs for homes valued up to ₹35 lakhs
- Promotes women's empowerment through homeownership rights
- Priority ground-floor allocation for differently-abled individuals and senior citizens

Message from the Chairperson

Helping Dreams Find Their Way Home

As I reflect on this year, I am moved by how far we have come as an organisation. From our early years of establishing our footing and achieving profitability to expanding our reach across hundreds of branches and onboarding thousands of dedicated employees, our journey since 2015 has been one of steady, purposeful growth.

Dear Shareholders,

A home is much more than four walls; it is a dream realised, a life transformed. For millions of Indian families, owning a home represents years of hope, sacrifice, and perseverance. At SMFG India Home Finance Co. Ltd. ('SMHFC'), we strive to turn that aspiration into reality by making affordable homeownership more accessible, helping families build stronger foundations for a more secure and prosperous future. This, for us, is the true meaning of fulfilling dreams and empowering lives.

As I reflect on this year, I am moved by how far we have come as an organisation. From our early years of establishing our footing and achieving profitability to expanding our reach across hundreds of branches and onboarding thousands of dedicated employees, our journey since 2015 has been one of steady, purposeful growth. Today, with a significantly expanded loan book, a transformed technology backbone, and an international credit rating that speaks to our financial strength, SMHFC stands on a foundation built to last.

FY 2025-26 was defined by a deliberate emphasis on the quality and resilience of our growth rather than the pursuit of scale alone. We reinforced the institutional foundations of our business through stronger governance, enhanced risk oversight, and disciplined capital allocation, reaffirming our belief that enduring value is created through prudence, responsibility, and a long-term perspective.

A Resilient Economy, an Aspirational Market

Persistent global headwinds, including trade uncertainties, geopolitical conflicts in West Asia, currency volatility, and stubborn inflation continued to test major economies. Despite these challenges, India held its ground, sustaining its position among the world's fastest-growing major economies, driven by firm domestic demand and steady infrastructure spending. This formalising economic landscape is bringing an entirely new generation of credit-seeking households into the financial ecosystem. First-time home buyers in Tier 2, 3, and 4 cities, navigating the informal income segment, remain the core focus of our business.

While these opportunities are vast, achieving true excellence requires us to balance our growth ambitions with absolute operational vigilance.

Our response was a reflection of institutional strength rather than defensive correction. We proactively adjusted our credit framework, embedded rigorous filters right at the login stage, and managed non-performing segments with absolute precision. This predictive approach to risk ensures that as we scale, we continue to safeguard our franchise and protect our stakeholders' interests with absolute integrity.

Prudence in Risk and Liquidity

As our credit portfolio naturally matures, we have continued to manage risk with absolute foresight, keeping Gross and Net NPAs firmly contained.

Further on the liability side, our focus remained on securing diversified, long-term funding resources to ensure absolute stability across business cycles. Our financial architecture and governance standards were strongly validated. Our premium domestic credit ratings of AAA/Stable were reaffirmed. Furthermore, our institutional credibility was recognised on the global stage, earning a prestigious investment-grade foreign currency rating of AA- with a stable outlook from the Japan Credit Rating Agency, reinforcing the long-term character of the franchise.

Advancing a Digital-first Operating Model

At SMHFC, technology is strengthening the way we serve customers, manage risk, and build a more resilient institution. Our 'tech-enabled, high-touch' operating model continued to advance during the year, enhancing process efficiency, and decision-making across the lending lifecycle. Increasing use of AI and advanced analytics is helping improve underwriting consistency, identify emerging risk trends earlier, and support faster, more informed decisions while preserving the human judgement that remains essential in affordable housing finance.

Enriching our Human Capital

Our people remain our most enduring competitive advantage. The success we have built, and the ambitions we carry forward, are deeply rooted in the skills, values, and dedication of every individual who is part of the SMHFC family. We believe that investing in our people is not merely a business mandate, it reflects who we are.

Over the course of the year, we elevated people agenda with intent and rigour, nurturing new talent, deepening functional and behavioural capabilities, advancing leadership development journeys, and implementing structured frameworks for recognition and growth. Our commitment to workplace equity has been further reinforced, as we work to ensure that inclusion is not an aspiration but a lived experience across every level of our organisation.

An Anchored Path Forward

The affordable housing sector presents a meaningful long-term opportunity, but it also carries an equally important responsibility– building an organisation our customers and stakeholders can trust over decades. As we look ahead, our focus is firmly set making our institution structurally stronger and more accountable. By maintaining our strict risk discipline, fortifying our digital architecture, and staying close to our customers, we will continue to ensure that excellence is our default organisational setting.

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders, customers, lending partners, regulators, and employees for their continued trust and support. Your confidence inspires us to consistently raise our standards as we strive to fulfil dreams and empower people at scale.

Best regards,

Colathur Narayanan Ram

Chairperson, Non-Executive, Independent Director

Message from the MD & CEO

Rising Together to Be the Best

Our Assets Under Management (AUM) reached ₹12,859 crores, while disbursals amounted to ₹4,448 crores, supported by deeper market penetration and improved operating efficiency.

Dear Shareholders,

For millions of families across India, homeownership is a defining milestone-one that represents security, stability, and the promise of a better future. At SMHFC, we recognise that our role extends beyond providing affordable home loans; it is about empowering people by fulfilling the dream of purchasing their own homes.

This understanding shaped our approach over the last 3-5 years. As opportunities across the affordable housing finance sector expanded, we focused not only on growing our business, but also on strengthening the operating foundations required to serve customers across more markets, with greater consistency, discipline, and responsibility.

A key enabler of this strategy has been our branch-led operating model. We have expanded our reach across Tier 2 and Tier 3 markets, semi-urban clusters, and emerging growth centres. Supported by our hub-and-spoke framework, we have been able to remain closer to customers, maintaining a strong local market understanding.

Focused on Disciplined Growth

During past few years, we fortified our position across the affordable housing finance market, with a clear shift in emphasis. We moved away from chasing scale towards growth that is selective, better risk-calibrated, and supported by stronger unit economics. These steps are laying a strong foundation for sustainable growth and will translate into more resilient outcomes in the years ahead.

Our Assets Under Management (AUM) reached ₹12,859 crores, while disbursals amounted to ₹4,448 crores, supported by deeper market penetration and improved operating efficiency.

Our portfolio also became more balanced. A healthier mix between salaried and self-employed borrowers helped reduce concentration risks, while tighter underwriting within the self-employed segment delivered stronger risk-adjusted outcomes. Housing finance remained our core, while the Loan Against Property (LAP) portfolio expanded selectively and within prudent risk parameters.

This approach has yielded tangible benefits. Strong collections discipline, consistent underwriting, and early risk identification strengthened portfolio resilience and monitoring effectiveness. Improved pricing discipline, a calibrated product mix, and technology-led efficiencies supported margin resilience and productivity gains.

What It Means to Be 'SARVOTTAM'

'Being SARVOTTAM' is a philosophy we uphold every day by doing the right thing consistently, transparently, and with integrity. As a business built on trust, we believe customer-centricity must guide every aspect of how we operate and preserving that trust remains a key measure of our success.

'Being SARVOTTAM' also means fostering a culture of ownership, accountability, and fairness across the organisation. It is reflected in the standards we set, the decisions we make, and the way we balance growth with responsibility.

Customer Experience at the Core

Customer-centricity is at the heart of our business. As we grow, our focus is not only on expanding access to housing finance, but also ensuring that we serve customers with fairness, transparency and consistency. The borrower should feel that they are engaging with an institution that genuinely cares about the outcome.

Our branch-led operating model is central to ensuring that they do. Affordable housing finance requires proximity to customers and local markets, not only to assess collateral and understand borrower cash flows, but also to build engagement and long-term relationships.

Technology as a Strategic Enabler

Our progressive evolution towards a future-ready enterprise is anchored in our sustained, YoY acceleration of investments across our digital infrastructure. Workflow digitisation, data-led decisioning, and enhanced customer communication platforms are improving process efficiency, reducing turnaround times (TAT), and delivering greater consistency across the lending lifecycle. As we expand into newer and underpenetrated markets, these capabilities are also supporting stronger portfolio visibility and more disciplined credit management.

Looking ahead, our transformation initiatives, including the migration to a new Loan Origination System under Project Rapid, are expected to further enhance process standardisation, operational agility, and execution consistency.

What We Envision

Our priorities for the future are clear: driving quality-led growth, resilient asset quality and disciplined collections; improving customer experience; and executing our transformation agenda with greater precision.

Crucially, the cornerstone of this execution is our people. Our talent pool of 2,860 individuals is our asset, and we are committed to cultivating a high-performance culture rooted in ownership and accountability from within. By accelerating enterprise-wide capability building through our 'Gurukul' framework and championing diversity, equity and inclusion, we ensure our workforce is empowered to scale this franchise responsibly.

Over the next five years, we aspire to build SMHFC into a pan-India franchise with wider reach across urban and semi-urban markets, targeting a sustainable CAGR of 20-25% and expanding our network to ~500 branches. However, our larger ambition is to build a resilient institution that continues to earn the trust of customers, regulators and investors through sound governance, accountability, disciplined execution, and a strong commitment to long-term relationships.

On behalf of the leadership team, I extend my gratitude to our Board of Directors, regulators, lenders, investors, customers, and employees for their trust and support. Your partnership and confidence inspire us as we build a stronger, more future-ready institution for the years ahead.

Best regards,

Deepak Patkar

Managing Director & Chief Executive Officer

Board of Directors

Mr. Colathur Narayanan Ram

Chairperson, Non-Executive, Independent Director

Mr. Colathur Narayanan Ram is the Chairperson, Independent Director of SMFG India Home Finance Company Limited. He is also an Independent Director on the Board of SMFG India Credit Company Limited, parent company of the Company. As the MD & CEO of FYNDNA Tech Corp Pvt. Ltd. since Feb 2021, he oversees the development of a modern cloud-native core digital banking platform. He has over 4 decades of experience predominantly in Banks, manufacturing, business process outsourcing, and consulting, with considerable exposure to strategic planning, data analytics, information security, technology operations, business transformation and ERP implementation. He was a consultant with Warburg Pincus India Pvt. Ltd. until 2023 and has worked closely with the RBI on various projects that have had a significant impact on the Banking industry.

Mr. Ram has also worked on the Customer Advisory Boards of leading Global firms like Sun Microsystems, NCR, HP and VISA International. He was the Group President & CIO of the Essar Group between 2010-13, where he was responsible for mentoring the individual Business CIOs, aligning business and IT, streamlining IT governance, and improving information security. In 2008, Mr. Ram along with 5 others set up a social venture called Rural Shores Business Services that creates job opportunities for educated youth in rural India. He was the 3rd employee at HDFC Bank (14 years) and the first tech employee at Bank of America, India (12 years). HDFC Bank is recognised as one of the most tech-savvy institutions in the country and pioneered many innovative tech-enabled solutions for businesses.

Mr. Ram holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad and a B.Tech degree from the Indian Institute of Technology Madras in Chennai. He has won 3 lifetime achievement awards from leading publications for his stellar work as CIO in multiple companies.

Ms. Dakshita Das

Non-Executive, Independent Director

Ms. Dakshita Das is an Independent Director on the Board of SMFG India Home Finance Company Limited. She is a former bureaucrat with over 35 years of experience in the Government as a Civil Servant having served as an Indian Railway Accounts Service (IRAS) Officer. She has also served as a regulator as MD & CEO at the National Housing Bank, the erstwhile regulator of the Housing Finance Companies.

Her career has spanned Infrastructure Financing, Public Finance and the Financial Sector including Insurance and Debt Recovery. She was the Chair of the Working Group constituted by the Ministry of Women and Child Development on Gender Budgeting and is a Ministry of Corporate Affairs Nominee on the Disciplinary Committee of the Institute of Chartered Accountants.

She has handled the preparation of over 15 budgets for the central government including the Union budget, budgets for States under President's rule & the Indian Railways budget. As MD & CEO of the National Housing Bank, she ensured deepening of supervision, tightening of regulations for systemically important companies while ensuring adequate availability of liquidity for the housing finance sector. As Additional Secretary in the Department of Financial Services, Ms. Das handled the charges of insurance and debt recovery and undertook key initiatives such as the first stage disinvestment of LIC.

Ms. Das has deep understanding of the FS sector and has been on several Boards including as a government nominee in the Bank of India, NIIF Infrastructure Finance, GIC Re and Actuary Council of India. Currently she is serving on the Boards of SMFG Grihashakti, Protium Finance and NSE Indices. She is also an Advisor to Primus Partners.

Ms. Das is a graduate from Lady Shri Ram College for Women, University of Delhi and holds an M.Phil. degree on Vietnam Studies from Jawaharlal Nehru University. She is a TEDx speaker.

Mr. Diwakar Gupta

Non-Executive, Independent Director

Mr. Diwakar Gupta is an Independent Director on the Board of SMFG India Home Finance Company Limited. He is also an Independent Director on the Board of SMFG India Credit Company Limited, parent company of the Company. He has five decades of experience in the financial services industry across the public sector and development banking.

From 2015 to 2020, Mr. Gupta served as Vice President of Private Sector and Public-Private Partnerships at the Asian Development Bank ('ADB'). In this role, he oversaw ADB's assistance to private sector projects at ADB and was responsible for building and maintaining ADB's public-private partnership operations.

Prior to joining ADB, Mr. Gupta was the MD & CFO of the State Bank of India. He was responsible for setting strategies and direction alongside other State Bank's Central Management Committee members. He joined the Bank in 1974 and held several leadership positions at its various units and subsidiaries. He held the position of Deputy Managing Director (National and Rural Banking) and CEO - SBI Card & Payment Services, among others in the Bank.

Mr. Gupta has also worked in an advisory capacity with India Value Fund Advisors ('IVFA') and Aditya Birla Financial Services Pvt. Ltd. and as an Independent Director on the Boards of leading business councils, financial services companies, and other private organisations in India. In addition, he spent two years as the Senior Advisor (Research) at the Centre for Advanced Financial Research and Learning ('CAFRAL'), promoted by the RBI.

Mr. Gupta graduated in Physics (Hons.) from St. Stephen's College (Delhi), and holds a Master's degree in Physics from Delhi University. He is a Certified Associate of the Indian Institute of Bankers (CAIIB).

Mr. Surya Prakash Rao Pendyala

Non-Executive, Non-Independent Director

Mr. Surya Prakash Rao Pendyala is a Non-Executive, Non-Independent Director in SMFG India Home Finance Company Limited. He is a distinguished financial services veteran with over four decades of experience in Indian Banking and Infrastructure sectors. Most recently, he served as Executive Director and Chief Investment Officer at the National Investment and Infrastructure Fund (NIIF), India's quasi-sovereign wealth fund, from 2017 to 2023. At NIIF, Mr. Rao played a pivotal role in scaling the organisations, establishing key funds, raising capital, and acquiring strategic assets.

Mr. Rao played a pioneering role in setting up and scaling two infra NBFCs, demonstrating a track record of spawning institutions with superior governance structures, chairing the Boards and the credit committees of these NBFCs.

Mr. Rao also served as an Officer on Special Duty at the Department of Economic Affairs, Ministry of Finance, Government of India, where he helped operationalise the concept of NIIF. Prior to his role at NIIF, Mr. Rao spent over 3 decades with the State Bank of India (SBI), where he held various leadership positions. Notable roles included Chief General Manager for Tamil Nadu and Puducherry operations; General Manager of the Private Equity and Venture Capital vertical of SBI; and Deputy CEO of SBI Macquarie Infrastructure Fund. His expertise spans Corporate Finance, Infrastructure and Project Finance, Risk Management, Private Equity, and Venture Capital. His career highlights include playing a pivotal role in the establishment of joint venture funds such as the SBI Macquarie Infrastructure Fund and Oman India Joint Investment Fund.

Mr. Rao is an Associate Member of Institute of Cost & Management Accounts of India.

Board of Directors

Mr. Ravi Narayanan

Non-Executive, Non-Independent Director

Mr. Ravi Narayanan is a Non-Executive, Non-Independent Director of SMFG India Home Finance Company Limited. He is also a Chief Executive Officer & Managing Director of SMFG India Credit Company Limited. He is a member of the ULI Pricing Committee constituted by Reserve Bank of India & Reserve Bank Innovation Hub.

Ravi brings three decades of leadership experience in India's banking and financial services sector, with a proven track record of scaling business, driving strategic transformation, and building high-performing teams. An alumnus of IIT(BHU), Varanasi and FMS Delhi, he combines deep technical expertise with strong commercial acumen.

Before taking helm at SMFG India Credit, Ravi served as an advisor to Sumitomo Mitsui Banking Corporation's Retail Banking Division, advising on strategic investments in India. His work included participating in business due diligence, assessment of the investee management team and related technical and regulatory aspects. He also served as a Group Executive – Retail at Axis Bank, leading network of 5,500 branches and 58,000 employees. He was instrumental in launching the Burgundy Private wealth management platform, expanding the bank's NRI portfolio, and strengthening its international presence through operations in the UAE. His leadership extended to governance roles as nominee Director on the Boards of Axis Securities and Axis Mutual Fund.

Previously, at HDFC Bank, Ravi held multiple leadership positions across two decades, including Group Head of Branch Banking, overseeing 950 branches and a ₹1.1 trillion liabilities book. He also led the Retail Trade FX business, delivering ₹1,000 crores in annual income and making a significant contribution to the bank's treasury revenue. Earlier roles included heading merchant acquiring, cash management, and current accounts, where he built scalable business from the ground up.

Mr. Ravi holds an MBA from FMS Delhi and a B.Tech from IIT (BHU), Varanasi.

Mr. Deepak Patkar

Managing Director & CEO

Deepak Patkar is the Managing Director & Chief Executive Officer of SMFG India Home Finance Company Limited (SMHFC). With nearly three decades of experience in financial services, Deepak's journey within SMFG India Credit Company Limited (SMICC) spans over 15 years, during which he held a range of roles across collections, internal audit and enterprise risk management.

Prior to his current role, he served as Chief Risk Officer at SMICC, where he played a key role in strengthening risk governance and embedding data-driven decision-making. His progression across the organisation reflects a strong track record of driving transformation, enhancing operational effectiveness and supporting sustainable business growth.

In addition to his leadership experience at SMICC and SMHFC, Deepak has held leadership roles at Magma Fincorp and Citibank.

Deepak holds a Bachelor's degree in Electrical Engineering and a Master's in Management from Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai.


SMFG IndiaCredit
Pragati Ki Nayi Pehchaan
SMFG Grihashakti
Nayi Asha. Naya Vishwas.
Great Place To Work®
Certified
JAN 2026-JAN 2027
INDIA
7 Years
One Culture.
One Great Place to Work.

Leadership Team

Abbasi Sadikot
Chief Risk Officer

Karan Makhania
Head – Human Resources

Devendra Mani Shrivastava
Head – Operations

Archana Nadgouda
Company Secretary

Ashish Chaudhary
Chief Financial Officer

Namratha Nayak Karaya
Head – Internal Audit

Rajib Dutta
Chief Compliance Officer

Vibhor Chugh
Head – Credit Risk

Deepak Patkar
MD & CEO

Vishwas Shrungarpure
Chief Business Officer

Shashi Mishra
Chief Technology Officer

Our Strategic Advantage

Our Pillars of Sustainable Growth

As we aspire to lead the affordable housing category, it is essential that we move beyond conventional benchmarks and build a culture anchored in excellence, agility and accountability. Guided by the philosophy of Being SARVOTTAM, we are strengthening the way we operate across the organisation, bringing everyone together as one aligned unit focused on delivering superior customer outcomes with speed, empathy and precision.

Our strategic priorities are designed to create a resilient and future-ready housing finance franchise while bolstering our commitment to responsible growth and long-term value creation.

Our Key Pillars for Sustainable Business Growth

Our strategic priorities are anchored by the following pillars for sustainable business growth:

Increase Market Share	Distribution Network Expansion	Digital Adoption	Improve Asset Quality
• Building a pan-India franchise with a multi-channel business model to grow affordable housing assets • Strengthening presence across underserved and underpenetrated markets	• Expanding distribution reach with deeper penetration in Tier 2+ locations • Enhancing proximity to customers through a wider branch network	• Accelerating end-to-end digitalisation of business processes • Leveraging technology and analytics to improve operational efficiency and customer experience	• Sustaining strong collections performance through a 100% in-house collections team • Reinforcing disciplined risk management and portfolio monitoring practices

Operational Precision and Agility

In the affordable housing segment, speed is important, but quality is paramount. We are focused on optimising workflows to eliminate redundancy while maintaining risk guardrails and operational discipline.

Key Focus Areas

- Adopting a 'First-Time-Right' protocol across file processing
- Thorough scrutiny of applications at the login stage
- Reducing rework and improving turnaround time (TAT)
- Strengthening underwriting quality and risk discipline
- Accelerating end-to-end digitalisation of business processes for enhanced efficiency

Strategic Impact

- Improved operational efficiency and process consistency
- Faster and more seamless customer onboarding
- Scalable systems to support sustainable growth
- Stronger control over portfolio quality

Customer-centric Approach

Our customers often navigate complex and informal income structures. They seek guidance, transparency and reassurance, not just transactional processing.

Key Focus Areas

- Practising 'Proactive Empathy' across customer interactions
- Keeping customers informed proactively throughout the loan journey
- Anticipating customer concerns and communicating key milestones clearly
- Delivering a smoother, more reassuring and trust-led experience
- Building a differentiated customer proposition through faster decision-making and clear communication

Strategic Impact

- Enhanced customer trust and satisfaction
- Stronger customer relationships and retention
- Improved service experience across touchpoints
- Reinforced brand credibility in emerging markets

Strong Collaboration across Teams

Excellence cannot exist in silos. A seamless flow of intelligence and coordination between the ground force and back-office teams is critical to building an agile and responsive organisation.

Key Focus Areas

- Breaking internal barriers and encouraging cross-functional collaboration
- Driving faster issue resolution through constructive dialogue
- Encouraging ownership and accountability across teams
- Strengthening coordination between business, credit, collections and operations
- Creating one aligned organisation focused on common goals

Strategic Impact

- Faster and more effective decision-making
- Enhanced responsiveness to customer and market needs
- Improved execution capabilities across functions
- A stronger culture of teamwork and accountability

Tech-led Transformation

Accelerating Inclusion through Innovation

Technology at SMFHC has evolved from a process enabler into a strategic force shaping how we serve customers, manage risk, and build a future-ready institution. Our sustained investments in digital capabilities are forging a sharper, faster, and more resilient operating model – one that expedites decision-making, improves responsiveness, and supports disciplined growth.

In FY 2025-26, we advanced this agenda with renewed purpose. Across lending operations, customer onboarding, and core tech infrastructure, our efforts centred on enhancing agility, deepening control, and delivering a seamless experience to customers and stakeholders. We introduced initiatives to forge the institutional foundations for scale, consistency, and long-term value creation.

Our Strategic Technology Pillars

Strategic Focus Areas in Technology

- **End-to-End digitisation of customer journey – from onboarding to servicing**
- **Reduction in TAT and increased workflow automation**
- **Focus on leaner, smarter, scalable processes**
- **Openness to integrate with market-leading tech innovations**

What We Are Building with Tech

Strategic Objective	How We Are Enabling It
Faster decisions, leaner processes	New LOS, API-led underwriting, workflow automation
Stronger IT backbone	Scalable infra, security tools, cloud-first approach
Smarter employee productivity	Microsoft 365, Desktop-as-a-Service, Citrix upgrade
Better business continuity and resilience	DR automation, monitoring, testing CoE
Always-on customer convenience	e-KYC, e-Sign, payment gateway integrations

Loan Origination System ('LOS') – Project RAPID

The implementation of the upgraded Loan Origination System with Project RAPID represents an important milestone in our transformation journey. By bringing greater intelligence, structure, and integration to the lending lifecycle, the platform is improving how we onboard, verify, underwrite, and disburse loans. In doing so, it is reinforcing speed, consistency, and control across one of our most critical operating engines.

Selected Digital Enhancements

We Implement:

- Account Aggregators to enable more seamless and reliable access to verified financial data
- e-KYC and e-Signature to help simplify onboarding while improving speed and convenience
- Payment gateway integrations to strengthen customer payment journeys through greater ease and efficiency
- Mobile LOS App to equip field teams with greater mobility, responsiveness, and execution capability

Cybersecurity and Technology Resilience

As our digital footprint expands, safeguarding systems, data, and access pathways remains fundamental to institutional resilience. During the year, we undertook a series of important upgrades to strengthen our digital ecosystem and reinforce our cybersecurity posture in line with the demands of a digitally scaled organisation.

- **Email System Consolidation:** We migrated to a unified Microsoft 365 environment to improve standardisation and operational continuity
- **Mobile Device Management:** We transitioned to Microsoft Intune to strengthen device governance and secure enterprise access
- **Cybersecurity Enhancements:** We deployed Zscaler ZIA and ZPA solutions to reinforce secure browsing and remote connectivity

Our People

A Team United by Purpose

As SMHFC expands across semi-urban and rural markets, our people strategy is evolving alongside our growth ambitions, becoming more agile, inclusive, and future-focused. Central to this is building a diverse workforce aligned with the communities we serve, united by a shared purpose of advancing financial inclusion through accessible, customer-centric housing finance.

The Company's consistent recognition as a 'Great Place to Work' for seven consecutive years, along with its recognition as a 'Company with Great Managers', reflects its commitment to cultivating an environment anchored in the values of integrity, collaboration, innovation, diversity, excellence, and agility. Through these efforts, SMHFC remains focused on building a resilient, high-performing, and future-ready organisation capable of delivering sustainable value for all stakeholders.

Skill Development for Scalability

As on 31 March, 2026, we had onboarded 60 apprentices under the National Apprenticeship Promotion Scheme (NAPS). This initiative enhanced structured skill development and local employability, directly building our frontline capability and workforce stability.

Fostering Wellness, Inclusivity and Belonging

Our people philosophy balances performance with empathy. As we expand across India's emerging markets, we actively build a supportive, high-performing culture through three core pillars:

Holistic Well-being

- **Always Choose Health First:** Preventive healthcare initiatives to safeguard our teams nationwide
- **Mental and Emotional Support:** Dedicated mental wellness programmes to support work-life harmony

Progressive Inclusivity

- **Empowering Diversity:** Introduced menstrual leave policy to inculcate gender inclusion
- **Inclusive Workplace:** Building an inclusive and supportive workplace through employee well-being initiatives, progressive policies, and meaningful engagement

Elevating Connection

- **Accessible Leadership:** Conducted leadership townhalls and open-listening forums to align all functions
- **Structured Onboarding:** Enhanced early-stage employee journeys to embed the Company culture from day one

Our People

Building Culture beyond Work

Yoga Day

International Yoga Day was observed across locations through guided yoga and wellness sessions, encouraging employees to embrace healthier lifestyles.

Women's Day

Women's Day celebration was observed across locations and we remain committed to building an inclusive environment where every woman has the opportunity to grow, lead, and thrive. By championing equity, empowering talent, and recognising excellence, we continue to move toward a future where everyone can realise their full potential.

Our Core Learning Philosophy

- Learning is continuous and directly linked to performance
- Capability is built through direct application in real business contexts
- Each skill is shaped through on-ground experience and reflection
- Employees actively contribute to a shared, evolving knowledge ecosystem

We view learning as a journey directly linked to performance and future-readiness. During FY 2025-26, we empowered our workforce through a unified learning ecosystem which includes:

Core Capability

Gurukul - Learning through design, regional training, and talent development. This builds critical knowledge, functional skills, and dynamic mindset for better execution.

Digital Growth

iLearn - A self-paced learning management system that provides role-relevant training across diverse geographies.

Robust Governance

Satark - Our signature governance programme that builds risk awareness, compliance standards, and responsible behaviour across all areas of our organisation.

Spotlighting Success

STAR Programme

Recognises employees who consistently go above and beyond, keeping the spirit of a high-performance culture alive.

SMFG Grihashakti SARVOTTAM Awards

Honours leadership, innovation, and strategic collaboration that bring sustainable corporate growth.

Long Service Awards

Celebrates loyalty, dedication, and sustained contributions that build organisational pride.

Corporate Social Responsibility

Committed to Meaningful Change

Corporate Social Responsibility (CSR) reflects our commitment to creating sustainable and meaningful impact in the communities we serve. With a focused approach to healthcare, livelihoods, and environmental sustainability, our initiatives are designed to address systemic challenges through locally relevant, community-driven, and scalable solutions.

Our CSR framework is anchored in three strategic pillars that align with our vision of inclusive growth:

Environment

We drive environmental sustainability through targeted interventions that deliver measurable impact via:

- Solar electrification of public infrastructure
- Rainwater harvesting installations for water conservation
- Circular economy practices and plastic waste repurposing
- Awareness drives for rooftop solar adoption via PM Surya Ghar Yojana

Healthcare

We promote access to essential and preventive healthcare services in underserved communities through:

- Primary healthcare camps and medical check-ups
- Target vision screenings at construction sites

Livelihood

We strengthen economic resilience and social security through impactful interventions:

- Connecting construction workers to the Building & Other Construction Workers (BoCW) Welfare Board
- Supporting grassroots women-led group enterprises

To maximise the impact of our CSR initiatives, we follow an integrated and community-focused approach. Our programmes are designed around local needs, making them more relevant, inclusive, and sustainable. We work closely with NGOs, government agencies, and grassroots organisations to leverage collective expertise and strengthen outcomes. By prioritising sustainable practices, we ensure that our social and environmental impact creates lasting value for communities.

Impact This Year

Environment

- Implementing advanced rainwater harvesting structure at a police station
- Conducting widespread awareness campaigns on PM Surya Ghar Yojana
- Executing solar electrification project at public infrastructure site
- Building circular economy practices through plastic waste repurposing

Impact

- Generated **30,000+** units of clean energy annually, preventing 500 MT of long-term CO_2 emissions
- Conserved over **12 lakhs** litres of water annually through an organised rainwater harvesting system
- Repurposed **11 tonnes** of plastic waste, deflecting it from landfills to develop playground infrastructure
- Reached **2,500+** homeowners to accelerate the adoption of domestic rooftop solar solutions

Health

- Setting up primary health camps and medical check-ups in low-income communities
- Conducting targeted vision screening camps directly at construction sites

Impact

- **9,500+** individuals benefitted from better access to quality healthcare services
- **6,800+** construction workers received comprehensive eye care services

Livelihood

- Facilitating worker registration under the BoCW
- Enabling women's economic empowerment through entrepreneurship

Impact

- **7,000+** workers registered to secure social security benefits nationwide
- **18 women-led** enterprises established, directly empowering **180 women**

Corporate Information

CIN: U65922TN2010PLC076972

Mr. Colathur Narayanan Ram
DIN: 00211906
Chairperson, Non-Executive, Independent Director

Ms. Dakshita Das
DIN: 07662681
Non-Executive, Independent Director
(Re-appointed for a second term w.e.f. 20 January, 2026)

Mr. Diwakar Gupta
DIN: 01274552
Non-Executive, Independent Director
(Appointed w.e.f. 9 January, 2026)

Mr. Shantanu Mitra
DIN: 03019468
Non-Executive, Non-Independent Director
(Retired w.e.f. 13 June, 2025)

Mr. Ravi Narayanan
DIN: 08528459
Non-Executive, Non-Independent Director
(Appointed w.e.f. 9 January, 2026)

Mr. Surya Prakash Rao Pendyala
DIN: 02888802
Non-Executive, Non-Independent Director
(Appointed w.e.f. 11 September, 2025)

Mr. Deepak Patkar
DIN: 09731775
Managing Director & CEO

Chief Financial Officer

Mr. Ashish Chaudhary

Company Secretary

Ms. Archana Nadgouda
w.e.f. 22 September, 2025

Mr. Parthasarathy Iyengar
Up to 23 June, 2025

Statutory Auditor

B. K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W
706/708, Sharda Chambers, New Marine Lines,
Mumbai – 400 020

Secretarial Auditor

M/s. Vinod Kothari & Company
Practising Company Secretaries
Firm Registration No.: P1996WB042300
403-406, 175 Shreyas Chambers, D. N. Road, Fort,
Mumbai – 400001.

Bankers

- Axis Bank Limited
- Bank of Baroda
- Canara Bank
- DCB Bank Limited
- HDFC Bank Limited
- International Finance Corporation
- IDBI Bank
- ICICI Bank
- Indian Overseas Bank
- Karnataka Bank
- Kotak Mahindra Bank
- Small Industries Development Bank of India (SIDBI)
- Standard Chartered Bank
- State Bank of India
- The Federal Bank Limited
- The Hongkong and Shanghai Banking Corporation
- Union Bank of India
- National Housing Bank
- UCO Bank

Rating Agencies

Domestic Ratings:

- CARE Ratings
- CRISIL Ratings Ltd

International Rating:

- Japan Credit Rating Agency Ltd

Registrar and Share Transfer Agent

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
C-101, 1st Floor, Embassy 247, LBS Marg, Vikhroli (West),
Mumbai – 400 083.
Toll Free Number (India): 1800 1020 878
Telephone Number: 022-4918 6000
Fax: 022-4918 6060
E-mail: investor.helpdesk@in.mpms.mufg.com
Website: https://in.mpms.mufg.com;

Registered Office

Commerzone IT Park, Tower B, 1st Floor, No: 111, Mount
Poonamallee Road, Porur, Chennai, Tamil Nadu, India,
Pin - 600 116.
E-mail Id: secretarial@grihashakti.com
Website: www.grihashakti.com

Corporate Office

Inspire BKC, Unit No. 503 & 504, 5th floor, Main Road, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

Directors' Report

Dear Shareholders,

Your directors have the pleasure of presenting the 16th Annual Report of **SMFG India Home Finance Company Limited ('SMHFC'/'Company')** along with the audited financial statements for the financial year ended 31 March, 2026

1. Background

Your Company, SMHFC, is a wholly owned subsidiary of SMFG India Credit Company Limited ('SMICC') and is registered with the National Housing Bank ('NHB') as a non-deposit taking Housing Finance Company and the Company is classified as Middle Layer as per Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation)) Directions, 2025 ('RBI Master Directions') and has obtained Corporate Agency Licence from Insurance Regulatory and Development Authority of India.

2. Financial Highlights

The key highlights of the results for FY 2025-26 are given below:

(₹ in crores)

Particulars	FY 2025-26	FY 2024-25
Total Income	1,522	1,307
Less: Interest & finance cost	797	687
Net Total Income	**725**	**620**
Total Operating Expenses	462	424
Pre-Impairment operating profit	**263**	**196**
Impairment on financial instruments	91	35
Profit/(Loss) before Tax & Exceptional Items	**172**	**161**
Less: Exceptional Items	(3)	0
Profit/(Loss) before Tax	**169**	**161**
Net Profit/(Loss) after Tax	**126**	**120**
Retained Earnings as at beginning of the year	156	60
Less: Transfer to Reserve Fund under Section 29C(i) of the NHB Act, 1987	(25)	(24)
Retained earning as at end of the year	257	156

Previous year's figures have been regrouped based on current year's classification.

3. Financial performance and overview

The Company's Assets Under Management ('AUM') increased by 10% in FY 2025-26, growing to ₹12,859 crores from ₹11,692 crores in FY 2024-25. The amount of loans disbursed was ₹4,448 crores for FY 2025-26.

The total income for the financial year ending 31 March, 2026 was ₹1,522 crores, a growth of 16.4% compared to ₹1,307 crores in the previous year.

Total Operating expenses was ₹462 crores, an increase of 8.7% compared to ₹424 crores in the previous year.

Impairment on financial instruments was ₹91 crores. The Company holds provision of ₹172 crores in March, 2026. The GNPA ratio stood at 2.7% in March 2026, compared to 2.4% in March 2025. Net NPAs ratio stood at 1.8% in March 2026, compared to 1.6% in March 2025.

The profit after tax for FY 2025-26 was ₹126 crores as compared to ₹120 crores for FY 2024-25.

Your Company has maintained optimum Asset Liability Management('ALM') position throughout the year, with continued focus on diversification of borrowing resources and conservative liquidity management.

4. State of Company's affairs and future outlook

A detailed overview of the state of affairs, performance of the Company and future outlook is provided in the 'Management discussion and analysis' section, enclosed as **Annexure I** to this report.

5. Debt Position

The total incremental borrowings during the year under review, stood at ₹3,005 crores (₹2,327 crores repaid during the year). During the year, the Company has issued ₹250 crores commercial papers (₹300 crores repaid during the year).

The Company raised ₹1,088 crores through issuance of secured and unsecured non-convertible debentures and Subordinated debts (₹412 crores repaid during the year for secured and unsecured non-convertible debentures and Subordinated debts) to various mutual funds, high net-worth Individuals and financial institutions, on a private placement basis. The Company availed long-term and short-term bank loans worth ₹1,233 crores (repaid ₹1,616 crores during the year) from banks (including working capital demand loans). The Company raised ₹ 434 crores through External Commercial Borrowings and ₹400 crores through refinance assistance from the National Housing Bank (NHB).

No interest payment or principal repayment of the Term Loans was due and unpaid as on 31 March, 2026 and no interest/principal on debentures was due and unpaid as on 31 March, 2026.

6. Transfer to Reserves

During the year, the Company transferred ₹25 crores to Reserve Fund created as per the norms laid down under Section 29C of the NHB Act, 1987.

7. Share Capital

Authorised Share Capital

During the year under review, the Authorized Share Capital of the Company remained unchanged at ₹15,00,00,00,000/- (Rupees One Thousand Five Hundred crores only) divided into 1,50,00,00,000 (One Hundred and Fifty crores only) equity shares of ₹10/- (Rupees Ten only) each.

Issued, Subscribed and Paid-up Equity Share Capital

The paid-up share capital of the Company as on 31 March, 2026 stood at 3,71,16,31,690 (Rupees Three hundred seventy-one crore sixteen lakh thirty-one thousand six hundred ninety only) divided into 37,11,63,169 (Thirty-seven crore eleven lakh sixty-three thousand one hundred sixty-nine only) equity shares of ₹10/- (Rupees Ten only) each.

The details of paid-up share capital of the Company as on 31 March, 2026 are as under:

Sr. No.	Name of the Shareholder	Number of Shares	Percentage (%)
1.	SMFG India Credit Company Limited*	37,11,63,169	100.00
	Total	**37,11,63,169**	**100.00**

**Includes 6 shares held by Nominee Shareholders of SMICC.*

All the equity shares of the Company are in dematerialised form as on 31 March, 2026. SMICC and its nominees hold the entire paid-up share capital of the Company.

8. Disclosure on ESOPs

The Company does not have any employee stock option/ purchase scheme. The details of share appreciation rights are mentioned in Note 38 of the notes to accounts to the audited financial statements.

9. Capital Adequacy Ratio

The regulatory Capital Adequacy Ratio ('CAR') of the Company was 22.5% as on 31 March, 2026 against 22.3% as on 31 March, 2025 which is within the regulatory requirement.

10. Dividend

Your Directors do not recommend any dividend on equity shares of the Company for the financial year ended 31 March, 2026 to conserve resources.

11. Change(s) in the Nature of Business

During the year under review, there was no change in the nature of business of the Company.

12. Risk Management

The Company faces various inherent risks, including credit, liquidity, market, compliance, fraud, operational, information security risk and other risks, arising from its principal business activities such as mortgage lending, construction finance, and liability management. Risk management is a core element of the Company's business strategy and decision making framework.

The Risk Management process of the Company is governed by a comprehensive Risk Management Framework that defines the guidelines for risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework.

The Company has formulated a strong internal control system that ensures effective risk analysis and measurement, periodic monitoring of the portfolio and reporting of breaches based on various parameters in addition to adherence to approved policies and their amendments.

The Risk Management Framework operates through following key principles viz.

- Independent risk management and governance framework with direct oversight by Board nominated Risk Oversight Committee;
- A comprehensive risk appetite framework, that establishes, monitors, and implements timely interventions through clearly defined boundaries post considering various dimensions including financial returns, solvency, earning volatility, market and liquidity risk, credit risk, operational risk, information security risk, legal and compliance risk;
- Implementation of proactive credit and liquidity interventions based on forward-looking risk assessment to enable timely responses in the event of any emerging market adversity;
- Maintenance of well-documented credit risk policies and credit programmes which are reviewed and updated regularly to align with regulatory guidelines and industry best practices;
- Extensive use of credit bureau information as an integral part of the credit evaluation and decision-making processes;
- Monitoring of regulatory and reputation risk.

The Board of Directors ('the Board') of the Company has constituted the Risk Oversight Committee ('ROC') to oversee the risk management strategy and create an effective risk management framework of the Company. This is achieved through the consistent and proactive intervention of competent and experienced senior management personnel, thereby, ensuring delivery of the Company's purpose and long-term business strategy.

The ROC is compliant with the applicable provisions of Reserve Bank of India (Housing Finance Companies) Directions, 2025 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR 2015').

The Committee not only oversees the processes of risk assessment and minimisation, monitors risk management plans but also carries out other roles as may be directed by the Board. Please refer to the report on Corporate Governance enclosed as **Annexure II** to this report for the terms of reference of the ROC.

You are requested to refer to the 'Management Discussion and Analysis' section, enclosed as **Annexure I** to this report for more details on the matter.

13. Internal Financial Controls

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, the Company conducted an evaluation of its internal financial controls based on the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on the assurance activities and the findings presented by an independent team, the Directors and Management team confirm that adequate internal financial controls are in place and are operating effectively throughout the period. Furthermore, the statutory auditors have reviewed and verified the existence and operating effectiveness of the internal financial controls relating to the financial reporting as of 31 March, 2026

14. Human Resources

The Company's employee strength stood at 2,860 as at 31 March, 2026. All employees have gone through induction training to prepare them with the necessary organizational knowhow to efficiently carry out their responsibilities.

Additionally, the debt recovery team has periodically undergone mandatory training as prescribed by the National Housing Bank and conducted by Indian Institute of Banking & Finance.

15. Compliance

The Company had complied and continues to comply with all applicable provisions of the Companies Act, 2013, the National Housing Bank Act, 1987, the Reserve Bank of India (Housing Finance Companies) Directions, 2025, and other applicable rules/ regulations/ guidelines issued by various regulatory and/or statutory authorities, as amended, from time to time.

16. Directors and Key Managerial Personnel

The Board lays down the strategic objectives of the Company and guides the management in meeting its goal of aligning the interests of various stakeholders.

Change in Directors

Your Company has six Directors consisting of three Non-Executive, Independent Directors, two Non-Executive, Non-Independent Directors and one Managing Director and CEO as on the date of this report.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC') and approval of the Board of Directors, the following changes have taken place in the composition of the Board during FY 2025-26 and till the date of this report:

a. Mr. Shantanu Mitra retired as a Non-Executive, Non-Independent Director with effect from 13 June, 2025.

b. Mr. Surya Prakash Rao Pendyala was appointed as an Additional, Non-Executive, Non-Independent Director with effect from 11 September, 2025. His appointment was confirmed as Non-Executive, Non-Independent Director at the Extra-ordinary General Meeting of the Company held on 11 November, 2025. The term of Mr. Surya Prakash Rao Pendyala as Non-Executive Director on the Board of the Company as approved by the Reserve Bank of India is 5 years from the date of his appointment.

c. Mr. Diwakar Gupta was appointed as Additional, Non-Executive, Independent Director with effect from 9 January, 2026. His appointment was confirmed as Non-Executive, Independent Director at the Extra-ordinary General Meeting of the Company held on 5 February, 2026.

d. Mr. Ravi Narayanan was appointed as Additional, Non-Executive, Non-Independent Director with effect from 9 January, 2026. His appointment was confirmed as Non-Executive, Non-Independent Director at the Extra-ordinary General Meeting of the Company held on 5 February, 2026. The term of Mr. Ravi Narayanan as Non-Executive Director on the Board of the Company as approved by the Reserve Bank of India is 5 years from the date of his appointment.

e. Ms. Dakshita Das was re-appointed as Non-Executive, Independent Director for a second term with effect from 20 January, 2026. Her appointment as Non-Executive, Independent Director for a second term was confirmed at the Extra-ordinary General Meeting of the Company held on 5 February, 2026.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act.

Retirement by Rotation

In accordance with Section 152 of the Act and the Articles of Association of the Company, Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (DIN: 02888802), is liable to retire by rotation at the ensuing Annual General Meeting of the Company. However, he has expressed his desire not to be re-appointed as Director at the ensuing Annual General Meeting. Accordingly, he will retire at the ensuing 16th Annual General Meeting of the Company.

Declaration from Independent Directors

The Company has received declarations from Independent Directors that they meet the criteria for independence as provided in Section

149(6) of the Act and Regulation 16(1)(b) read with Regulation 62B(1)(b) of the SEBI LODR 2015 and that they are independent of the management.

Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence and that they are independent of the management.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience (including the proficiency) required to fulfil their duties as Independent Directors.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs ('IICA'). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Change in Key Managerial Personnel

There were following changes in the Key Managerial Personnel ('KMP') of the Company during the year under review:

a. Mr. Parthasarathy Iyengar (Membership No. A21472), Company Secretary and Compliance Officer (under Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015) ceased to hold office from the close of business hours on 23 June, 2025.

b. Ms. Archana Nadgouda (Membership No. A17140) was appointed as the Company Secretary and Compliance Officer (under Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015) (designated as a Key Managerial Personnel) of the Company with effect from 22 September, 2025.

There were no other changes in the KMPs of the Company during the year under review.

In terms of Section 203 of the Act, the following are the KMP of the Company, as on 31 March, 2026:

Key Managerial Personnel	Designation
Mr. Deepak Patkar	Managing Director & CEO
Mr. Ashish Chaudhary	Chief Financial Officer
Ms. Archana Nadgouda	Company Secretary & Compliance Officer (SEBI)[1]

[1] Company Secretary is also designated as Compliance Officer in terms of Regulation 6(1) of the SEBI LODR 2015

17. Number of Meetings of Board of Directors

The Board of Directors of the Company, met eight (8) times during the year:

i. 07 May, 2025
ii. 13 June, 2025
iii. 04 August, 2025
iv. 22 September, 2025
v. 11 November, 2025
vi. 27 January, 2026
vii. 05 February, 2026
viii. 25 March, 2026

The time gap between two consecutive board meetings was less than 120 days and at least one meeting was held every quarter.

18. Board Evaluation

In accordance with the provisions of the Act, read with Schedule IV, the Independent Directors met separately to review the performance of Non-Independent Directors and Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the Board as a whole; and to assess the quality, quantity and timeliness of flow of information between the Board and the Management.

The Board completed the annual evaluation of its own performance, the individual Directors (including the Chairperson) as well as the working of all Board Committees. The Board was assisted by the Nomination and Remuneration Committee ('NRC'). The performance evaluation was carried out by seeking inputs from all the Directors.

19. Audit Committee

The Audit Committee presently comprises of Ms. Dakshita Das, Chairperson of the Committee, Mr. Colathur Narayanan Ram, Mr. Diwakar Gupta and Mr. Ravi Narayanan as other members. The terms of reference of the Audit Committee is mentioned in the Report on Corporate Governance, enclosed as **Annexure II** to this report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

20. Nomination and Remuneration Committee (NRC)

The NRC presently comprises of Ms. Dakshita Das, Chairperson of the Committee, Mr. Colathur Narayanan Ram, Mr. Diwakar Gupta and Mr. Ravi Narayanan as other members. The terms of reference of the NRC is mentioned in Report on Corporate Governance, enclosed as **Annexure II** to this report.

The Company has laid out clear guidelines approved by the Board for 'fit and proper' criteria for appointment of directors in accordance with the Act. Further, as per the Terms of Reference of the NRC, Policy on remuneration of directors, key managerial personnel and other employees have been put in place, incorporating principles of fairness, pay for performance, a sufficient balance in rewarding short and long-term objectives reflected in the pay mix of fixed and variable pay, meeting the financial viability of the Company.

The Policy on remuneration of directors, key managerial personnel and other employees has been uploaded on the website of the Company at https://www.grihashakti.com/images/CG/SMFG-Grihashakti-remuneration-policy.pdf

21. Details of Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate or joint venture company as on the date of this Report. Accordingly, Form AOC-1 is not required to be attached to the financial statements.

22. Statutory Auditors

Your Company had appointed M/s. B. K. Khare & Co., Chartered Accountants (ICAI Firm Registration No. 105102W) as its statutory auditors to hold office as such for a period of three years, from the conclusion of 14th Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company, in terms of the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated 27 April, 2021. The said appointment was approved by the shareholders at the 14th Annual General Meeting held on 19 June, 2024.

In terms of Sections 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B. K. Khare & Co., have certified that they are eligible to continue as Statutory Auditors of the Company.

There are no qualifications, reservation or adverse remark or disclaimer, made by the statutory auditors in their report.

23. Secretarial Auditors

M/s. Vinod Kothari & Company, Practicing Company Secretaries (Registration no: P1996WB042300) ('VKC') were appointed as the Secretarial Auditors of the Company for 2 financial years i.e. FY 2025-26 and FY 2026-27. They have conducted secretarial audit in accordance with provisions of Section 204 of the Act and applicable provisions of SEBI LODR 2015 and issued a Secretarial Audit Report. Copy of the said report is attached as **Annexure IV** to this report. The said report does not contain any qualification or reservation or any adverse remarks or disclaimer and is self-explanatory.

Further, pursuant to Regulation 24A of the SEBI LODR 2015 read with the ICSI notification dated 24 April, 2025, M/s. Vinod Kothari & Co. have informed the Company that they are no longer eligible to continue as Secretarial Auditors, in view of the provisions applicable to High Value Debt Listed Entities (HVDLEs), as the Company is a material subsidiary of SMICC.

Accordingly, the Board of Directors at its meeting held on 11 May, 2026 appointed M/s. N L Bhatia & Associates, Practising Company Secretaries (Registration no: P1996MH055800) as the Secretarial Auditor of the Company for a period of three consecutive years i.e., from FY 2026-27 to FY 2028-29. The Company has received the consent letter and eligibility certificate from M/s. N.L Bhatia & Associates.

24. Vigil Mechanism

The Company has put in place Whistle-Blower Policy ('Policy') as a part of the Vigil Mechanism pursuant to the requirements of the Section 177(9) of the Act and Regulation 62J of the SEBI LODR 2015 for reporting of genuine act(s) of wrongdoing, violations or breaches by any stakeholder against Director(s) of the Company/ employee(s) including outsourced staff, person having a business relationship with the Company, etc. The Policy, approved by the Board and displayed on the website of the Company, provides an opportunity to report concerns about any actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct by any employee or representative of the Company. The Policy provides guidelines for safeguards against victimisation of stakeholders, who report their concerns as per the mechanism provided in the Policy and covers the processes for receiving, analysing, investigating, taking corrective action and reporting of the concerns raised.

This Policy has been communicated to the employees of the Company and has also been uploaded on the website of the Company at https://www.grihashakti.com/images/CG/Whistle-Blower-policy.pdf

All the whistle-blower complaints are received either through the mail box enabled for whistle-blowers or by any other mode. These complaints are perused, investigated into and appropriate actions are initiated. An update on whistle-blower complaints received, investigated and corrective actions taken on the same, is presented to the Audit Committee, on a quarterly basis. During the year under review, the Company received 5 whistle-blower complaints. The complaints was disposed off in accordance with mechanism laid down in the Policy.

25. Secretarial Standards

Your Company has followed the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

26. Maintenance of Cost Records

Being a housing finance company, maintenance of cost records and requirement of cost audit prescribed under section 148(1) of the Act, are not applicable to the Company.

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

There have been no such material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

28. Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company's operations in future

During the year under review, there were no significant and material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the Company and its operations in future.

29. Particulars of loans/ advances/ investments outstanding during the financial year

The disclosures relating to particulars of loans/ advances/ investments outstanding as per Regulation 53(f) of the SEBI LODR 2015 are as under:

Sl. No.	Particulars	Amount Outstanding as at 31 March, 2026	Maximum amount outstanding during the year 31 March, 2026	Amount Outstanding as at 31 March, 2025	Maximum amount outstanding during the year 31 March, 2025
1.	Loans and advances in the nature of loans to subsidiary	NA	NA	NA	NA
2.	Loans and advances in the nature of loans to Associate	NA	NA	NA	NA
3.	Loans and advances in the nature of loans to firms/ companies in which Directors are interested	Nil	Nil	Nil	Nil
4.	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	Nil	Nil	Nil	Nil

The details of loans/ advances/ investments outstanding as on 31 March, 2026 are given in Note No. 5 & 7 of the financial statements.

30. Deposits

In accordance with the National Housing Bank Act, 1987, your Company is a non-deposit taking Housing Finance Company and had declared that it has not and shall not accept deposit as per the terms and conditions of the registration provided by National Housing Bank.

31. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March, 2026 is available on the Company's website on https://www.grihashakti.com/investors/disclosure-under-regulation-62-of-lodr.aspx;

32. Details of Loans, Guarantees and Investments

The provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees, providing security in connection with a loan and acquisition of securities of any body-corporate are not applicable to the Company as the Company is a Housing Finance Company. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Board's Report.

The details of investments made by the Company are given in Note No. 5 of the financial statements.

33. Particulars of contracts or arrangements with related parties

All Related Party Transactions ('RPTs') that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered in by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company. All Related Party Transactions were placed before the Audit Committee of the Board for approval / ratification / review, wherever applicable and the particulars of such transactions are disclosed in the notes to the financial statements. Pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions to be reported under Section 188(1) of the Act and Form AOC-2 is not applicable to the Company.

Your Directors draw attention of the Members to Note No. 35 to the financial statement which sets out related party disclosures.

The policy on related party transactions, as approved by the Board is available on the website of the Company at https://www.grihashakti.com/images/CG/SMHFC_Related-Party-Transaction-Policy.pdf

34. Corporate Governance

The Company was identified as a High Value Debt Listed Entity ('HVDLE'), with effect from 7 September, 2021 and as such was required to comply with the relevant provisions of the SEBI LODR 2015 relating to corporate governance, on a 'comply or explain' basis, till 31 March, 2025, and on a mandatory basis thereafter vide SEBI LODR (Third Amendment) Regulations, 2024 dated 17 May, 2024. The Company had duly complied with the applicable corporate governance norms prescribed under the SEBI LODR

2015. However, the Company ceased to be classified as an HVDLE with effect from 22 January, 2026, pursuant to the SEBI (LODR) (Amendment) Regulations, 2026 on account of revision in the limits of classification as HVDLE.

The Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR 2015 as on 31 March, 2026. A detailed report on Corporate Governance and copy of the Certification of the Chief Executive Officer and Chief Financial Officer of the Company are provided as **Annexure II and III** respectively to this report. A certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance is provided as **Annexure B** to the Report on Corporate Governance.

35. Management Discussion and Analysis

In accordance with the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies -Financial Statements: Presentations and Disclosures) Directions, 2025 a detailed review of the operations, financial performance, risk management, outlook, among others, is provided under the Section 'Management Discussion and Analysis' enclosed as **Annexure I** to this report.

36. Fraud reporting

The Company reports occurrence of frauds to the National Housing Bank/Reserve Bank of India in terms of the National Housing Bank/ Reserve Bank of India regulations. The details of frauds occurred during the quarter are placed before the Board/Audit Committee meeting on a quarterly basis. There were 10 instances of fraud reported in FY 2025-26 and accordingly, Form FMR1 has been filed in line with regulatory requirements.

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee under Section 143(12) read with 143(14) of the Act, any instances of fraud Committed against the Company by its officers or employees, the details of which may need a mention in the Directors' Report.

37. Revision of Financial Statements or Directors' Report

There have been no revisions in the financial statements or Directors' Report as approved by the shareholders of the Company and published in the annual report.

38. Details of Debenture Trustee

The details of the entity which acted as the debenture trustee for the debenture holders of the Company during the year is as under:

Sl. No.	Trustee	Contact details
1	Catalyst Trusteeship Limited	901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) – 400013 Phone: 022 – 49220529 Fax: 022 – 49220529

39. Credit rating

The credit ratings' details of the Company as on 31 March, 2026 is as follows:

Rating Agency	Facility	Type	Rating
CRISIL	LT	NCD/BL/SD	CRISIL AAA; Outlook: Stable
	ST	CP	CRISIL A1+
CARE	LT	NCD/BL/SD	CARE AAA; Outlook: Stable
	ST	CP	CARE A1+

- LT - Long-term
- ST - Short-term
- NCD - Non-convertible debentures
- SD - Subordinate debt
- CP - Commercial paper
- BL - Bank lines

The ratings mentioned above were reaffirmed by the rating agencies (CRISIL and CARE) during the FY 2025-26.

The Japan Credit Rating Agency Limited has assigned a Foreign Currency Long-term Issuer Rating of AA- with Outlook Stable to the Company on 10 April, 2026.

A status of ratings assigned by rating agencies and migration of ratings, if any, during the year is provided in the note to the financial statements of the Company.

40. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The provisions relating to conservation of energy and technology absorption do not apply as the Company is a Housing Finance Company.

However, the Company adopts usage of information technology along with its parent company and is prudent in utilising non-renewable resources.

Also, same strategy of providing IGBT Based UPS with SMF batteries will be undertaken for 48 additional branches of the Company which are planning for roll out in FY 2026-27. SMF batteries doesn't emit Hydrogen Gas like normal Tubular Batteries does and is also maintenance free. We have standardised our branch fit out patterns and in all new roll outs, we will deploy energy efficient (Inverter) Air conditioners and the office layout being partition free will increase HVAC efficiency and reduce overall electricity usage. This will further reduce the carbon footprints.

During the year under review, the foreign exchange earnings was NIL and outflow was ₹ 62.77 crores. (USD 53,63,997 / GBP 930).

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

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder ('POSH Act'), the Company has framed a policy on Prevention of Sexual Harassment at Workplace ('Policy'). The Company has complied with the provisions relating to constitution of Internal Committee under the POSH Act.

Number of complaints of sexual harassment received in the year;	1
Number of complaints disposed off during the year;	0
No of cases pending for more than ninety days	0

42. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee presently comprises of Ms. Dakshita Das Chairperson of the Committee, Mr. Colathur Narayanan Ram, Mr. Surya Prakash Rao Pendyala and Mr. Ravi Narayanan as other members and its terms of reference are given in report on Corporate Governance enclosed as **Annexure II** to this report. The Company's CSR Report, including overview of CSR projects is enclosed as **Annexure V** to this report.

The CSR Policy highlights the key focus sector, implementation process of CSR activities, roles and responsibilities of the CSR Committee and the monitoring and evaluation process followed.

The CSR Policy can also be accessed at https://www.grihashakti.com/images/CG/SMHFC-csr-policy.pdf

43. Directors' Responsibility Statement

As per the provisions of Section 134(3)(c) read with Section 134(5) of the Act, your Directors confirm that:

i. in the preparation of the annual accounts for the year ended 31 March, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the annual accounts on a going concern basis;

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

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

44. Diagrammatic representation of group structure

- Ultimate holding – Sumitomo Mitsui Financial Group, Inc.

45. Other Disclosures

i. There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.

ii. There was no instance of onetime settlement with any Bank or Financial Institution.

iii. The Company has complied with the provisions relating to the Maternity Benefit Act, 1961.

46. Acknowledgement

Your directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the National Housing Bank.

Your directors also thank the shareholders, clients, vendors, investors and other stakeholders for placing their faith in the Company and contributing to its growth.

We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing support, going forward.

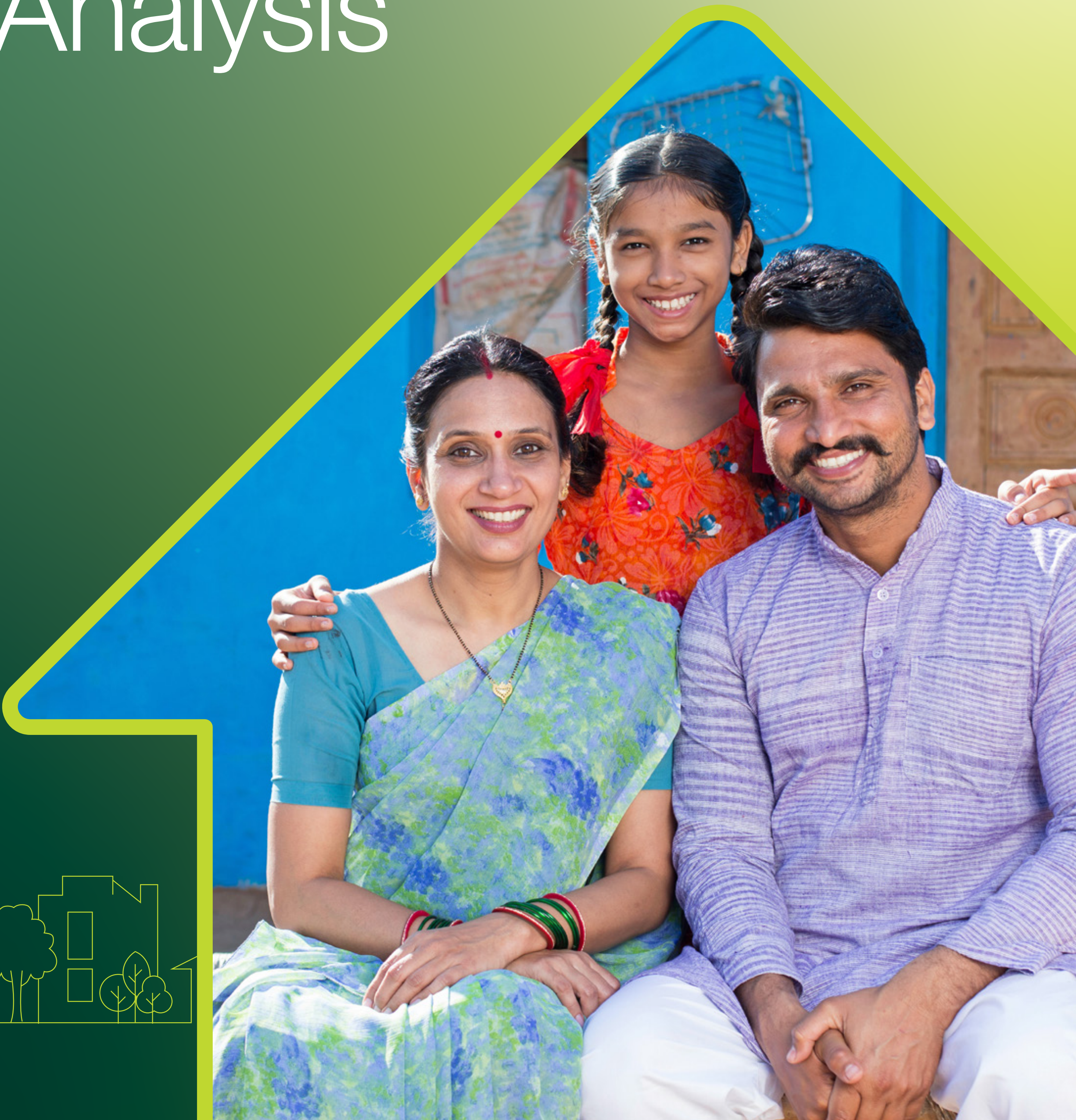
On behalf of the Board of Directors

Colathur Narayanan Ram
Chairperson
DIN: 00211906

Place: Mumbai
Date: 11 May, 2026

Annexure I to the Directors' Report

Management Discussion and Analysis



Economic Overview and Outlook

Global Economy

The global economy encountered significant challenges during 2025, shaped by geopolitical conflicts, heightened trade tensions and policy uncertainties. Despite these headwinds, it demonstrated notable resilience, supported by front-loading of trade, supply chain adjustments, limited tariff pass-through, relatively easier global financial conditions, and a surge in AI-related investments. According to the World Economic Outlook January 2026, global growth stood at 3.3% in 2025, in line with 2024.

Inflation eased across most economies, nearing central bank targets, with only a modest rise in U.S. goods inflation partly offset by stockpiling and other factors. However, 2026 brought fresh risks as escalating conflict in West Asia disrupted energy supplies, particularly through the Strait of Hormuz, driving sharp price increase and volatility while straining global supply chains. Rising energy and input costs, alongside geopolitical uncertainty, are likely to renew inflationary pressures and dampen demand potentially offsetting growth supported by strong tech-led investment, lower effective tariffs, supportive policies, and solid economic performance in late 2026.

Indian Economy

India continues to be one of the fastest-growing major economies globally, sustaining strong growth momentum despite ongoing geopolitical uncertainties.

The real GDP growth for FY 2025-26 is estimated at 7.7%, reflecting strong momentum in economic activity, driven by robust consumption, investment, and supportive policy measures. Although elevated energy and commodity prices, along with supply disruptions in critical shipping routes, may impact growth in FY 2025-26, proactive government interventions aim to minimise these effects. Continued resilience in the services and manufacturing sectors, favourable agricultural conditions, and sustained infrastructure investment are expected to support economic activity. Real GDP growth for FY 2026-27 is projected at 6.9%, with quarterly growth rates ranging from 6.7% to 7.2%. Risks to this outlook, particularly from the ongoing conflict in West Asia and global market volatility, remain tilted to the downside.

Headline inflation remained below target in early 2026, with food and fuel inflation modest and core inflation contained. CPI inflation for FY 2026-27 is projected at 4.6%, with most risks on the upside due to energy price fluctuations and weather-related events. India's external sector indicators are favourable, despite a slowdown in global trade and a widening trade deficit driven by higher gold imports. Foreign exchange reserves remain robust, and India continues to attract strong FDI inflows, though foreign portfolio investments saw net outflows. The rupee experienced depreciation, but the RBI's exchange rate policy remains focused on managing volatility without targeting specific levels. System liquidity is healthy, and the financial sector maintains strong capital adequacy, asset quality, and profitability, with broad-based credit growth supporting overall stability.

The Union Budget 2026 charts a disciplined, reform-led growth path, prioritising manufacturing, MSMEs, infrastructure, energy security, and services-led job creation. Strong macro fundamentals and policy support especially for affordable housing through PMAY and tax incentives, continue to drive stability and growth.

Implications for Housing Finance Companies

Housing Finance Companies (HFCs) play a key role in driving homeownership, boosting real estate demand, and supporting 'Affordable Housing' especially in Tier 2 and 3 cities while helping formalise the market. Lower repo rates, PMAY, and improved digital access have further strengthened housing loan demand.

As a focused HFC in Tier 2 markets, SMFG India Home Finance Co. Ltd. (SMHFC) is well-positioned to capitalise on these trends, serving underserved segments with strong risk discipline.

Real Estate & Housing Finance Industry in India

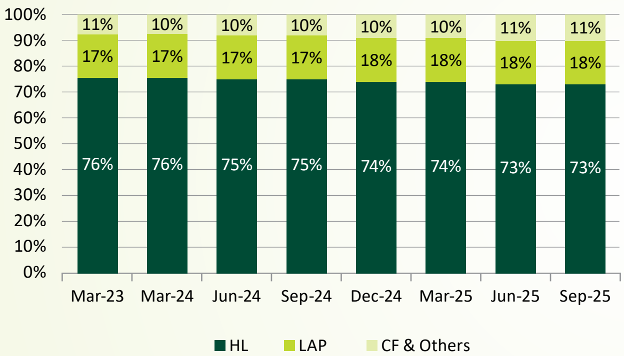
India's real estate sector remains a powerful engine of economic growth and a key enabler of the country's long-term development ambitions. It currently supports nearly 70 million jobs across construction, sales, design and allied industries, with employment potential expected to reach around 100 million by 2030. The market, valued at ~₹26.4 trillion in 2025, is projected to expand significantly to nearly ₹88 trillion by 2030, reflecting strong demand and structural momentum. As India advances towards its vision of becoming a developed nation by 2047, the real estate sector is set to play an increasingly pivotal role. Its contribution to GDP is expected to increase from about 7-8% in 2025 to nearly 12-15% by 2047, underscoring its evolution into a critical driver of growth, productivity, and urban transformation. The market was further bolstered by the Government of India's focus on the affordable housing sector, which saw an increased outlay for Pradhan Mantri Awas Yojana-Urban (PMAY-Urban) to ₹18,625 crores from ₹7,500 crores in the previous fiscal year. It also scaled up funding for Pradhan Mantri Awas Yojana-Urban 2.0 (PMAY-Urban 2.0), increasing the allocation tenfold to ₹3,000 crores in FY 2026-27 from ₹300 crores last year.

The residential sector is stabilising, supported by strong demand, rising incomes, investor interest, and infrastructure growth. As per CBRE Group's research, housing sales are expected to stay steady through FY 2025-26, with value growth of approximately 15% despite around 8% moderation in volumes, reflecting a clear shift towards premium housing. The premium segment demand remains strong in the ₹1.25–2 crores segment, while 8-10% income growth and supportive policy measures are likely to sustain affordability and momentum.

HFCs AUM has reached ₹9.8 lakh crores as of September 2025, growing around 15% YoY, with momentum expected to continue. Total home loan portfolios across HFCs, NBFCs and banks rose 10% YoY to ₹40.8 lakh crores, while credit growth moderated to 12% for HFCs, 11% for NBFCs and 10% for banks in H1 FY 2025-26.

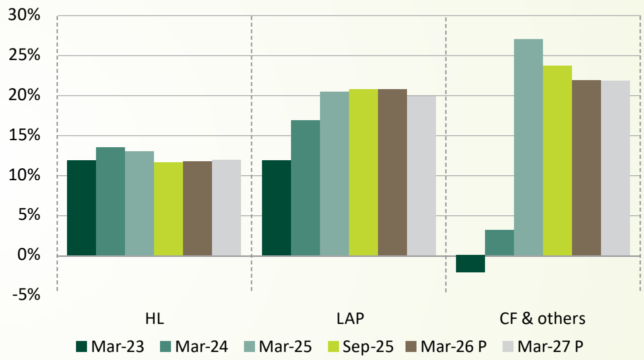
India's housing finance market has grown steadily, with housing loans rising to 11% of GDP in FY 2024-25 from 8% a decade ago, and outstanding loans tripling to ₹37 lakh crores reflecting deeper formalisation of the housing sector. According to ICRA, HFCs are expected to sustain strong AUM growth of 15–17% through FY 2026-27, with stable profitability and Return on Managed Assets (RoMA) of ~1.8–2.1% supported by steady demand, low operating costs, and controlled credit risk.

Trend in Segment-wise AUM



Source: Financials/investor presentations of HFCs, ICRA Research; Growth is YoY; Data for sample HFCs comprising ~83% of HFC AUM as of Sep-25.

Trend in Segment-wise AUM Growth



Source: Financials/investor presentations of HFCs, ICRA Research; P - Projected; Growth is YoY Amount in ₹ lakhs crores; Data for sample HFCs comprising ~83% of HFC AUM as of Sep-25.

Affordable Housing Finance

India's affordable housing finance sector is in a strong growth phase, driven by urbanisation, rising incomes, financial formalisation, and continued policy support like PMAY. Affordable Housing Finance Companies (AHFCs) AUM grew around 19% YoY to ₹1.58 lakh crores as on Dec 2025 and is expected to maintain robust growth of ~19–21%, with stable profitability (RoMA ~2.7–2.9%). Asset quality remains broadly stable despite seasonal pressures, though external risks and portfolio seasoning warrant monitoring. Supported by low penetration and a large housing shortage, the sector offers significant long- term opportunity, backed by adequate capital and liquidity.

Key Drivers

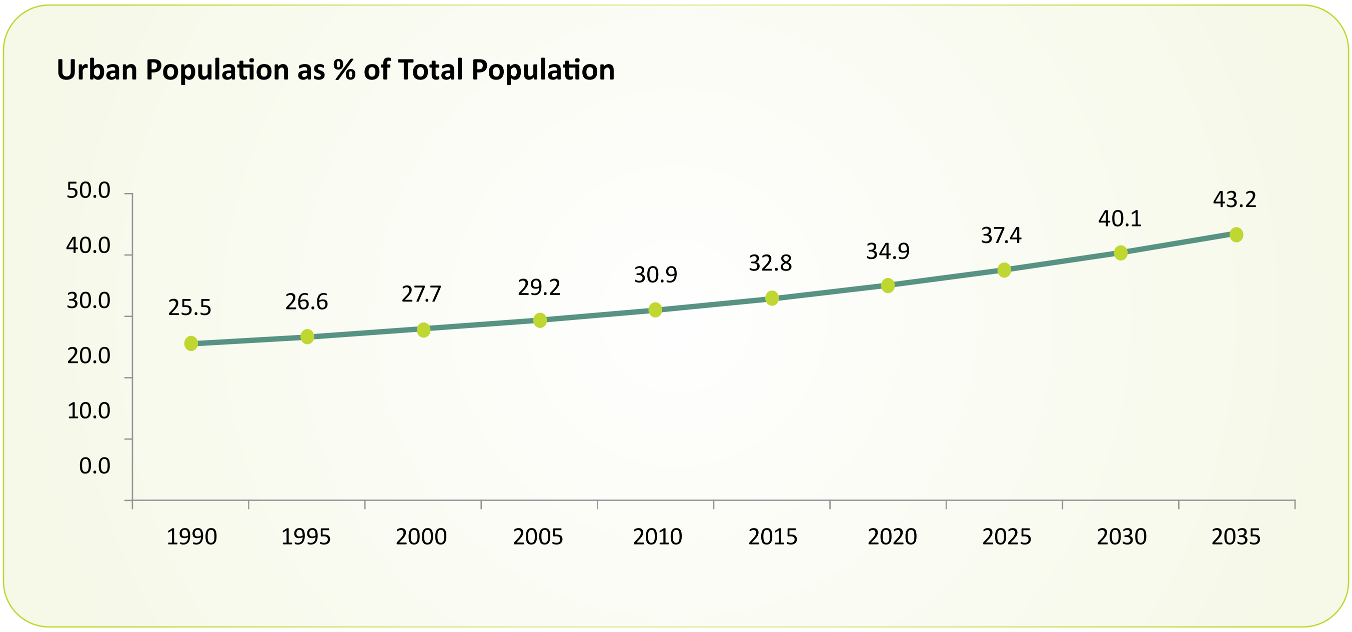
Structural Under-penetration

India's mortgage market remains significantly under-penetrated compared to global and emerging peers, presenting a large, long-term growth opportunity. This structural gap is supported by rising household incomes, increasing financial formalisation, government initiatives such as PMAY, and rapid digital adoption, all of which are helping to expand access to housing finance and accelerating credit uptake.

Urbanisation-led Housing Demand

Urbanisation continues to be a central pillar of India's economic expansion. While cities account for just ~3% of land area, they contribute nearly 60% of GDP. As of 2025, ~37% of India's population resides in urban centres, a share projected to increase to ~43% by 2035.

This shift is driving sustained demand for housing, particularly in urban and semi-urban markets, as employment and income opportunities increasingly concentrate in and around the cities. Additionally, trends such as nuclearisation of families and rising disposable incomes are accelerating housing demand, thus reinforcing long-term structural need for housing finance.



Business Update

SMFG India Home Finance Co. Ltd. ('SMHFC'), a wholly-owned subsidiary of SMFG India Credit Company Ltd. ('SMICC'), demonstrated resilient performance and sustainable growth during FY 2025-26. The Company remained focused on deepening its presence in the affordable housing finance segment, with an emphasis on semi-urban markets, peripheral urban areas and emerging growth locations across India.

Geographic Footprint and Distribution Network

SMHFC scaled its Pan-India presence in line with its long-term distribution strategy.

- Presence expanded to 17 states and union territories
- The branch network expanded to 203 branches as of 31 March, 2026, up from 180 branches as of 31 March 2025
- Strategic focus remained on Tier-2 and Tier-3 cities, semi-urban clusters, and peripheral urban markets

The expansion of the distribution network, combined with enhanced branch-level productivity and sharper market segmentation, drove sustainable growth during the year under review.

Business Growth and Scale

- Assets Under Management (AUM) stood at ₹12,859 crores as of 31 March, 2026
- New Loans (count) disbursed during the year: +17,000
- Active borrower base crossed 70,000 customers

SMHFC continues to rank among a select group of Affordable Housing Finance Companies ('AHFCs') to achieve meaningful scale while maintaining portfolio granularity and asset quality.

Direct Sourcing and Sales Ecosystem

The Direct/Own Sourcing channel remains a strategic pillar of growth.

- Direct sourcing contributed approximately 59% of retail disbursements
- Dedicated direct sales strength: 1,000+

This model has enabled better customer engagement, improved sourcing economics and stronger control over portfolio quality.

Collections and Credit Risk Management

SMHFC operates a 100% in-house collections model, supported by strong analytics and governance.

- A central collections strategy unit uses advanced algorithms for risk-based portfolio segmentation
- Clearly defined bucket-wise collection intensities and field deployment
- Legal actions are initiated promptly for delinquent accounts, supported by a dedicated legal team. This integrated collection approach supports stable asset quality across cycles.

Customer and Value Proposition

SMHFC's products and processes have been designed to cater to the needs of underserved and emerging customer segments.

Customer Segments:

- Salaried individuals
- Self-employed (formal and informal income) customers
- Developers

Affordable Housing Focus:

- Aspiring lower-income and middle-income households
- First-time homebuyers in emerging locations

Customised Solutions:

- Tailored loan structures based on income profile and repayment capacity
- Flexible product offerings aligned with customer lifecycles

Digital Transformation and Process Automation: Digitalisation remains a core enabler of efficiency and scalability.

- Expansion of digital onboarding and credit assessment journeys
- Increased adoption of paperless documentation and e-KYC
- Digital tools deployed across Sourcing, Credit and Collections functions
- Focus on improving customer experience, turnaround time, and operational efficiency

The Company regularly invests in technology to move towards a fully digital-first operating model.

Product Portfolio Overview

SMHFC maintained a balanced and well-diversified product mix during FY 2025-26. Home loans accounted for 57% of total AUM, with lending directed towards affordable, self-occupied residential units and a growing share of self-employed borrowers, supporting greater portfolio granularity and risk diversification. The Loan Against Property (LAP) portfolio represented 33% of AUM, with stringent due diligence and end-use monitoring helping maintain portfolio quality and alignment with customer intent. Developer finance was capped at 10% of AUM, with lending limited to end-user-driven affordable and budget housing projects, backed by careful assessment of project viability, timely completion, and sponsor credibility.

Sector and Market Outlook: FY 2026-27

The affordable housing finance sector is expected to witness sustained growth over the medium-term, supported by strong structural drivers:

- Continued urbanisation and migration to Tier-2 and Tier-3 cities
- Increasing adoption of digital lending infrastructure
- Ongoing policy and regulatory support for affordable housing
- Increasing adoption of digital lending infrastructure

Sectoral growth in disbursements and loan books is expected to remain in the range of 15-20%, outpacing the broader housing finance industry. While macroeconomic uncertainties persist, credit quality in the segment is expected to remain stable due to secured lending and prudent underwriting practices.

Strategic Priorities Going Forward

SMHFC remains strategically aligned to capitalise on emerging opportunities through:

01 Distribution Expansion
Medium-term target of 250-300 branches, with a focus on Tier-2+ markets

02 Capital Efficiency
Diversification of funding sources through refinancing, assignments and co-lending

03 Operational Excellence
- Continued digitalisation and process simplification
- Driving paperless, scalable operating models

04 Asset Quality and Risk Discipline
- Sustaining strong collections performance through in-house capabilities
- Strengthening data-led credit decisioning

05 Balanced Portfolio Growth
- Maintaining an optimal mix between Home Loans and LAP
- Prudent exposure to Developer Finance

Marketing

In an evolving market shaped by rising aspirations and a growing focus on making affordable housing more accessible, the Company remained committed to simplifying the homeownership journey while making its brand communication more relatable, and meaningful. This approach is anchored in the 'SARVOTTAM' philosophy—representing the gold standard of excellence—where quality underpins not only what the Company communicates, but also how consistently and effectively it delivers its message across touchpoints.

Aligned with the 'SARVOTTAM' philosophy, the Marketing & PR function continued to evolve towards a more focused and purpose-led approach, aimed at strengthening brand trust, enhancing visibility across key markets, and driving deeper engagement with prospective homebuyers.

In pursuit of excellence, the Company has embraced new-age AI tools to enhance creative communication and messaging for both customers and internal employees, resulting in improved brand currency across digital platforms and a significant increase in subscribers and community growth.

On LinkedIn, our subscriber base grew from 31,000 to 55,000, strengthening the Company's positioning in the minds of customers, while on Meta platforms, targeted and insight-driven campaigns significantly expanded the subscriber community from 0.6 million to 1.5 million.

Across platforms, the Company adopted an always-on, video-first approach, anchored in festival-led and homeownership-centric content. This resulted in strong engagement traction, with Facebook, Instagram, and X witnessing multi-fold growth. A reels-first and moment-driven strategy enabled the Company to achieve over 100 million engagements, reflecting the effectiveness of consistent and relevant content.

This momentum was also visible in platform-level engagement metrics. Below is the average monthly engagement increase, indicating improved audience interaction and sustained interest.

Facebook	Instagram	X
Increase from	Increase from	Increase from
1.7 million	**3.3** million	**0.4** million
to	to	to
5.3 million	**7** million	**1.6** million

The Company is focused on quality-led content was evident in the growth of its YouTube channel. During the year, the Company crossed the milestone of one lakh subscribers, supported by a deliberate emphasis on high-quality and regional-language content. This achievement was recognised with the YouTube Silver Creator Award in March 2026.

Meanwhile, the Company strengthened its digital discoverability through a focused Search Engine Optimisation (SEO) strategy. These efforts resulted in the Company website surpassing 10 lakh total visits during the year, reflecting wider reach and visibility.

On the Public Relations front, the Company maintained a consistent focus on building thought leadership through media coverage, expert insights, and structured communication. At the same time, to strengthen the Company's presence at the local level, it undertook in-branch branding and community-based CSR initiatives, ensuring that the brand remains visible and relevant across touchpoints.

Technology

During the year gone by, the Company has made significant strides in its digital transformation journey, evolving from foundational digital initiatives to widespread organisational adoption. This has led to improved process efficiency and noticeable enhancements in customer experience.

The Company's end-to-end paperless journeys for loan onboarding ('LOS') have been strengthened through the implementation of e-Sign, e-Stamp, Aadhaar-based e-KYC, automated document generation, and Initial Money Deposit ('IMD') automation. This has enabled a seamless, digital-first approach across operations.

The Company has unified its customer engagement by integrating its CRM into the Loan Management System ('LMS'), Digital Collection System, and knowledge repositories in real-time. This integration has not only improved service productivity but also enhanced regulatory compliance.

There have been notable improvements in the operational metrics as well. The Average Handling Time ('AHT') has improved from approximately 300 seconds to 286 seconds.

In terms of stability and resilience, the Company has made significant progress with its Disaster Recovery ('DR') readiness, successfully running a full DR for two days with an RPO of zero.

As part of its infrastructure modernisation efforts, the Company has implemented Zero Trust Architecture (ZTA), further enhancing its security and operational resilience.

Internal Controls

SMHFC has established internal control systems appropriate for the nature of its business and the scale of its operations. These systems ensure that transactions are correctly authorised, recorded and reported. The Company ensures adherence to all internal control policies and procedures and compliance with all regulatory guidelines regarding the business, risk, branches and support functions. The Audit Committee reviews the adequacy of these systems. The Internal Auditors' significant audit observations and follow-up actions were duly reported and discussed by the Audit Committee.

During the year under review, the 'Internal Control Framework' was evaluated from a design and effectiveness of controls perspective by an Independent Risk Advisory Consultant. It was found to be compliant with the requirements relating to Internal Financial Controls as mandated under the Companies Act, 2013.

Risk Management

Risk Management Framework

The Company has a robust and independent Risk Management Function with direct oversight by Board-nominated risk committees. The objective of the Risk function is to ensure that the Company maintains an optimal balance of risk and return within the boundaries of the Board-approved Risk Appetite Statement. The Company's risk management framework comprises well-defined policies, processes and systems for identifying, measuring, managing, monitoring and reporting risks.

Risk Identification & Measurement

The Company recognises risk identification as a critical function in risk management and mitigation. It has developed a strong, comprehensive Enterprise-level risk framework with multi-layered controls to identify and mitigate risks. We also follow a 'Three Lines of Defence' philosophy to address risks, where clearly defined policies and established risk tolerance levels ensure that business and support units act as the first line of defence. The robust risk governance framework enables risk management units (Credit Risk, Operational Risk, Fraud Risk, Branch Quality Controls, InfoSec, and Compliance) to act as the second line of defence, while the Internal Audit Function operates as the third line of defence. Further, risk oversight is maintained through the Board and the Risk Oversight Committee, external auditors, and regulators.

The Company has further strengthened its risk identification and measurement process through its Board- approved ICAAP Policy. The objective of this policy is to identify and accurately assess the significance of all material risks and ensure capital adequacy is maintained under normal as well as stressed scenarios.

Adequate risk provisioning is also ensured for both standard and non-performing assets throughout the year under the IND-AS framework by leveraging forward-looking ECL estimation models.

Analytics is integral to the Company's business model, ensuring that key decisions across the customer lifecycle and functions are driven by data-led insights. Customer acquisition and target segment identification are supported through an optimal mix of analytical and statistical models, an onboarding scorecard, and a robust operational and fraud risk management framework. Across the customer lifecycle, various customer engagements such as cross-sell, top-ups, and collections are identified through advanced and evolving analytical models, thereby enhancing the effectiveness of these actions.

Risk Appetite Framework

The Company's risk philosophy is anchored in achieving sustainable portfolio growth within its defined risk appetite and regulatory framework. The Board of Directors has approved a comprehensive Risk Appetite Framework that outlines the various risks to which the Company is exposed and establishes acceptable risk limits for each.

This time-tested framework enables the Company's future growth path, considering capital risk, credit risk, concentration risk, liquidity risk, operational risk, reputation risk and compliance risk for ongoing monitoring and timely actions. The approved risk limits and thresholds are reviewed and adjusted, as necessary, in response to changes in the internal and external environment. Accordingly, resources are reallocated across segments to ensure optimal risk positioning and portfolio stability.

Product Policy, Governance, and Monitoring Framework

Every product at the Company is governed by a detailed policy framework outlined in the Credit Risk Management Policy ('CRMP'), which is reviewed, updated and approved by the Board. The CRMP comprises critical customer selection criteria and product portfolio monitoring matrices. The Risk Oversight Committee ('ROC') of the Board, on the recommendation of the MD & CEO and CRO, further recommends the CRMP for Board approval.

Within the contours of the CRMP, the product-level underwriting guidelines are developed that specify the target market norms, customer selection and credit acceptance criteria, credit approval methodology, verification, and remedial portfolio management policies. The policies are evaluated regularly to ensure that they adequately safeguard the Company from credit risks arising from changes in macroeconomics, industry/segment, and other consumer behavioural characteristics.

The Company follows a champion challenger approach for exploring new segments. A 'Test and Control' construct is used to further expand on the risk parameters associated with a customer segment, exposure, or assessment methodology that are not explicitly covered by the CRMP. This enables close monitoring and impact analysis of each policy's efficacy before its adoption.

The Company has a strong portfolio management framework in place through which the exposure capping at portfolio and segment levels is monitored. Performance of respective products against their defined triggers is also monitored, and timely actions, if required, are initiated in case of any divergence.

Risk Governance

The Board is the apex governance body on all risk management-related matters. The Board of Directors exercises its oversight over risk management not only directly but also through the Risk Oversight Committee and its sub-committees such as the Asset-Liability Management Committee, Operational Risk Management Committee, Outsourcing Committee, and so on.

Internal audit checks are conducted regularly to monitor the efficacy of the organisation's risk management, internal control and governance procedures. Given the changing industry dynamics and evolving complexities in business and the operating environment, which mandate change in business needs, the Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal audit and internal control systems. Corrective actions, wherever required, are recommended to strengthen the existing internal control system. A robust in-house Market Risk and Treasury Team facilitates risk mitigation pertaining to liquidity, investments, interest rates, and borrowings by implementing rigorous policies and procedures.

Funding and Liquidity Management

The Company places strong emphasis on prioritising long-term resources. The Treasury team recognises importance of maintaining adequate liquidity to support business operations and meet debt obligations. The Company has maintained a prudent balance between liquidity preservation, growth, and debt servicing during the period. Bank borrowing remains a fundamental component of the Company's borrowing strategy, contributing to stability and sustainability. Furthermore, capital market borrowings and refinancing from the National Housing Bank and Life Corporation of India have bolstered the Company's asset-liability position. The Company has been successful in raising its External Commercial Borrowing in FY 2025-26 for $50 million. In FY 2025-26, the Company has mobilised funds through direct assignment route.

The Company understands the significance of matched funding and long-term liquidity in driving overall growth. To fortify its funding profile's resilience, the Company maintains a robust pipeline of bank funding and added fee paying committed lines. Additionally, it strategically leverages pool sales and capital market sources whenever favourable opportunities arise, which allows the Company to optimise operational efficiency. It also maintains adequate liquidity buffers comprising high-quality liquid assets to ensure seamless operations, prompt debt repayment and protection against unforeseen business shocks. These are held in high-quality liquid assets that are highly rated and can be converted to cash immediately.

Moreover, the Company has established liquidity backup by partially drawing sanctioned bank loans and maintaining fee-paying committed credit lines from reputed banks/life insurance companies/primary dealers to address any contingencies that may arise. Throughout FY 2025-26, the priority was on diversification, optimising cost of funds, improving ALM and maintaining sufficient liquidity.

The creditworthiness of the Company has been reaffirmed by CRISIL and CARE, with long-term debt rated AAA and short-term debt rated A1+, reflecting the highest levels of financial stability and trust. Further, the Company has received credit rating from Japan Credit Rating Agency Ltd. "JCR" of AA- for long-term foreign currency borrowings.

Human Resource Management

The talent pool at SMHFC comprising of 2,860 individuals is committed to cultivating a culture that fosters performance, well-being, and purpose. The success of SMHFC's business is deeply rooted in the skills, values, and motivation of its employees.

The Company has been consistently certified as a 'Great Place to Work' and recognised as a 'Company with Great Managers'. These achievements reflect the Company's commitment to maintaining a positive and supportive work culture built on the values of integrity, collaboration, innovation, diversity, excellence and agility.

In FY 2025-26, SMHFC onboarded new talent across functions to support its business expansion including management trainees from premium institutes.

The Company's people strategy is designed to build long-term capacity, promote leadership from within, and empower its workforce to thrive in a fast-evolving business environment.

Diversity, Equity and Inclusion – A Core Enabler

Diversity, Equity and Inclusion (DEI) remains integral to the Company's people strategy and reflects the diversity of the communities it serves.

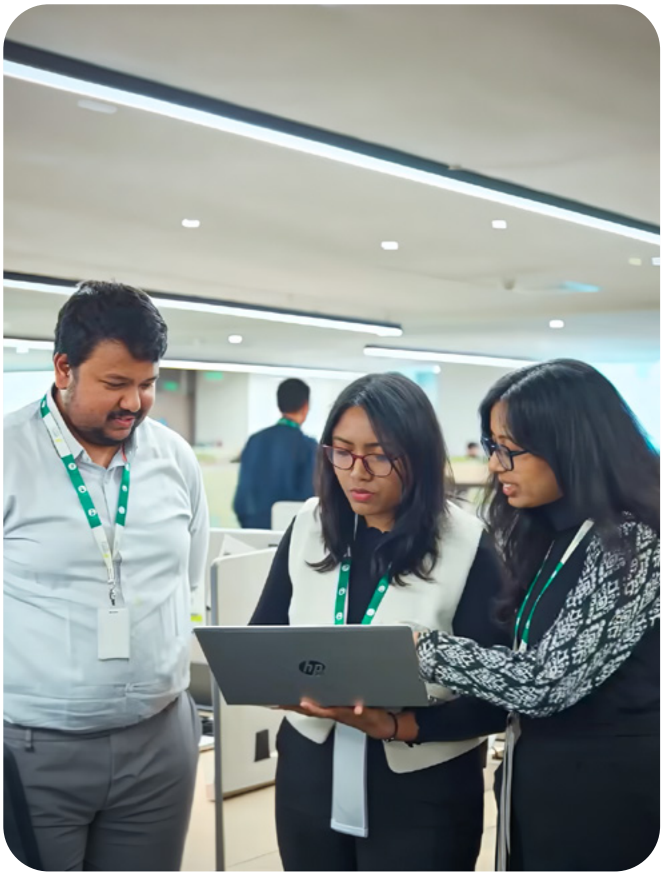
Pratibha: Pratibha focuses on increasing women's participation, particularly in frontline and rural roles, through targeted hiring, workplace enablement, manager sensitisation, and engagement initiatives. In FY 2025-26, SMHFC made significant strides by launching exclusive Pratibha women's hiring drives across the country, endorsing a 2x referral bonus for referring women candidates, and hosting a series of wellness workshops for women focusing on both mental and physical well-being.

At SMHFC, the DEI philosophy extends beyond recruitment. In FY 2025-26, the Company strengthened gender representation through intentional actions, including the appointment of women leaders in senior roles and sustained investments in career development, mentoring, and inclusive talent processes.

Ongoing policy and infrastructure initiatives strengthened equity, accessibility, and workplace safety. The organisation conducted Pan-India workshops for employees on unconscious bias, reinforcing a culture of awareness and inclusion at scale. This effort was further supported by robust governance mechanisms, including a strengthened POSH framework and continuous monitoring systems, ensuring that the workplace remains safe, respectful, and inclusive for all employees, culminating in being recognised amongst the Top 100 DEI Organisations in India.

For women leaders in mid-senior and senior roles, the Company collaborated with leading external platforms to ensure holistic development of identified mid-senior and senior women leaders.

Additionally, to further strengthen its commitment to women's well-being, the Company introduced a landmark Menstrual Leave Policy during the year. This progressive initiative enables women employees to avail themselves of one day of leave each month, with no requirement for documentation or prior approval. By normalising conversations around menstrual health and embedding flexibility within workplace practices, the policy represents a significant step towards fostering a more empathetic, inclusive, and supportive work environment.



Through these initiatives, the Company is fostering a sustainable and empowering work environment where every individual, irrespective of background, has equitable access to opportunities to grow, thrive, and contribute meaningfully in an increasingly dynamic business landscape.

Satark – Building a Culture of Vigilance and Integrity

Satark serves as a key organisational initiative to reinforce awareness of ethical conduct, compliance responsibilities, and expected workplace behaviours in the organisation. The programmes plays an important role in cultivating a culture of vigilance, accountability, and responsibility, ensuring that employees at all levels conduct their roles in alignment with internal policies, regulatory requirements, and the Company's values.

During FY 2025-26, Satark cascades were conducted across Pan-India branches as well as regional and state offices, enabling wider reach and consistent messaging. These interactions focused on reinforcing standards of professional conduct, ethical decision-making, and compliance awareness, while encouraging employees to recognise risks, raise concerns appropriately, and act responsibly in day-to-day operations.

Learning & Development

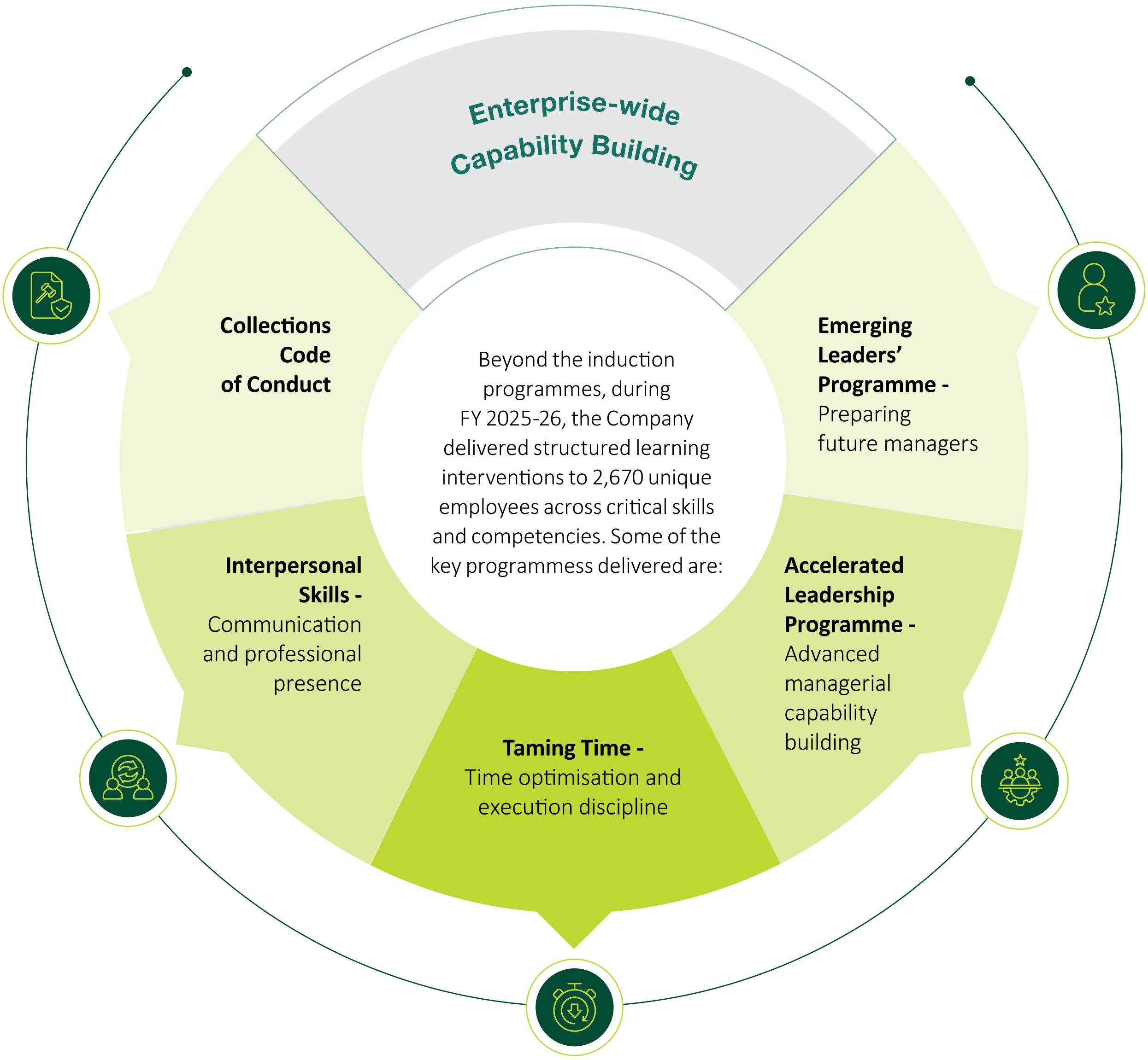
At SMHFC, the Company firmly believes that its people are its most enduring competitive advantage. As an NBFC operating in a highly dynamic and regulated environment, the Company's ability to scale responsibly, maintain customer trust and drive sustainable growth depends fundamentally on the strength of its talent pool. The Company's learning & development framework is therefore not positioned as a support function but as a strategic lever for business transformation. Under the brand 'Gurukul', the Company delivers structured, scalable and strategically aligned learning interventions that enable continuous development across all organisational levels.

SMHFC's L&D approach integrates business priorities with capability building, ensuring learning remains both relevant and impactful.

Seamless Induction and Cultural Integration

The Company's structured induction programmes ensures the seamless integration of new joiners into the organisation and its operating framework. In FY 2025-26, the Company conducted over 100 induction programmes covering close to 1,300 employees.

In order to strengthen the induction and onboarding experience, the existing two-day programmes has been revamped to a three-day programmes. This revamped programmes aims at equipping new employees with the functional expertise and behavioural competencies required to perform effectively from day one, strengthening early productivity and reinforcing cultural alignment.



These interventions are designed to enhance productivity, collaboration, and decision-making effectiveness, directly contributing to operational excellence.

Learning through iLearn: In addition to various classroom programmes, the implementation of the Company's online learning management system, iLearn, has significantly expanded training coverage, ensuring that every employee has access to essential learning resources and development opportunities. With a feature where a learner can decide what programmes he wants to learn and when he wants to learn it, all the programmes on iLearn are made visible to all employees irrespective of their department or location, and they have the freedom to click on 'Enrol' and learn at their own pace.

Reward and Recognition

The Company cultivates a culture of appreciation by recognising and celebrating excellence. Through structured recognition frameworks, the Company ensures that outstanding performance is acknowledged, amplified, and emulated across the organisation.

STAR – SMFG Talent Appreciation & Recognition: The Company's monthly and quarterly STAR awards recognise individuals who go above and beyond in their roles. In FY 2025-26:

- 300+ employees received monthly recognition
- 130+ employees were conferred quarterly awards

Long Service Awards: The Company recognises long-standing commitment with milestone awards for 3, 5, 10, 15 and 20 years of service. This year, it celebrated the loyalty and contributions of 360+ employees.

The Great Manager Award ('GMA'): The Company has been recognised for leadership excellence for the seventh consecutive year at the Great Manager Awards by People Business.

SMFG Grihashakti SARVOTTAM Awards: The SARVOTTAM Awards serve as a platform to recognise and celebrate individuals and teams who have delivered exceptional contributions and created strategic impact for the organisation. The awards encompass a broad spectrum of performance areas, reflecting the Company's holistic focus on business and regulatory excellence, operational efficiency, leadership effectiveness, and the effective adoption of new systems and processes.

During the year under review, a total of 30 employees were recognised for their exemplary performance, including 15 teams and four individual awardees across various categories.

These accolades reinforce the Company's strong commitment to fostering a high-performance culture, promoting innovation, and driving sustainable transformation across the organisation.

300+
Employees received monthly recognition

130+
Employees were conferred quarterly awards

Governance

SMHFC continues to promote meritocracy, integrity, and governance in legality and compliance. The Company has implemented several governance policies to encourage employees to raise complaints without the fear of retaliation. The Company's Code of Conduct includes relevant statutes for preventing sexual harassment and a Whistleblower Policy for quickly escalating and resolving issues.

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder ('POSH Act'), the Company has complied with the provisions relating to the constitution of an internal committee under the POSH Act. During the year under review, one case was reported and is under investigation as per the provisions and guidelines of this policy.

Corporate Social Responsibility

At SMHFC, Corporate Social Responsibility (CSR) embodies our commitment to creating lasting and meaningful community impact. Anchored in healthcare, livelihoods, and environmental sustainability, our programmes are community-driven, locally relevant, and designed for scale. Through strong collaborations with NGOs, government bodies, and grassroots organisations, and a continued focus on sustainable practices, we work to enable enduring social and environmental outcomes.

In FY 2025-26, our CSR initiatives positively impacted nearly 30,000 lives. We advanced environmental sustainability through targeted interventions in water conservation, waste management, and clean energy.

Key Initiatives Included

- Rainwater harvesting systems at a women police station in Faridabad, that will recharge 12 lakh litres of groundwater
- Community-led recycling efforts that recovered 10,000 kg of plastic
- Establishment of a solar-powered women police station at Rohtak, reducing up to 20 MT of carbon emissions annually
- Rooftop solar awareness and adoption were also promoted across multiple regions, generating measurable environmental benefits

Access to essential healthcare was strengthened through focused interventions for underserved communities. These included primary health check-ups for construction workers and their families, comprehensive vision screening with eye care support, and AI-enabled healthcare delivery to enhance diagnosis and reporting.

SMHFC's livelihood initiatives focused on enhancing social security and economic resilience. Over 7,000 construction workers were registered with the Building and Other Construction Workers, enabling access to critical welfare benefits. In parallel, marginalised women were empowered through entrepreneurship training and financial access, leading to the formation of 18 women-led business units and supporting sustainable income generation.

Analysis of Financial Statements

The following table presents Company's abridged financials for FY 2025-26.

Operating Results Information:

(₹ in crores, except percentages)

Particulars	FY 2025-26	FY 2024-25	% Change
Interest Income (A)	1,386	1,152	20
Other Income (B)	136	155	(13)
Total Income (A+B) = C	**1,522**	**1,307**	**16**
Interest Expense (D)	797	687	16
Operating Expenses (E)	462	424	9
Impairment of Financial Instruments (F)	91	35	>100
Profit Before Tax & Exceptional Items (C-D-E-F) = G	**172**	**161**	**7**
Exceptional Items (H)	(3)	0	>100
Profit/(Loss) Before Tax (G+H) = I	**169**	**161**	**5**
Tax, Including Deferred Tax (J)	**43**	**42**	**5**
Profit After Tax (I-J)	**126**	**119**	**5**

Note: Previous year's figures have been regrouped based on current year's classification.

Key Ratios

The following table sets forth key financial ratios:

Particulars	FY 2025-26	FY 2024-25
Net Revenue Income (%)	6.2	5.9
Capital Adequacy (%)	22.5	22.3
Capital Adequacy- Tier 1 (%)	18.4	18.4
Return On Average Equity (ROE) (%)[1]	7.8	9.4
Return On Average Assets (ROA) (%)[2]	1.2	1.4
Debt Equity Ratio (times)	5.9x	6.0x
Book Value Per Share	45.5	42.0
Earnings Per Share		
Basic (in ₹)	3.4	3.4
Diluted (in ₹)	3.4	3.4

Notes

1. Return On Average Equity is net Profit After Tax to the average of monthly balances of the shareholders' fund.
2. Return On Average Assets is net Profit After Tax to an average of monthly earnings (on book) assets.

FY 2025-26 marked a year of moderate growth for SMHFC, with sustained profitability driven by lower funding costs and continued improvements in operational efficiency. Over past few years, the Company has invested in building in-house capacity and capabilities aligned with its long-term affordable housing strategy. These initiatives are now translating into tangible results, reflected in improving operating performance gradually.

Assets under management (AUM) increased to ₹12,859 crores as at 31 March, 2026, representing a growth of 10% over the previous year. During the year, the Company disbursed ₹4,448 crores. Disbursements were moderated due to shift in asset recognition approach, operational initiatives undertakens to strengthen risk controls and long-term scalability with focus on branch expansion.

The Company's total income for the year ended 31 March, 2026, stood at ₹1,522 crores, as compared to ₹1,307 crores in the previous year, registering a YoY growth of 16.4%. Net Interest Margin (NIM) improved during the year, primarily driven by softening of interest rates and higher onboarding yields arising from a favorable portfolio mix. This was partially offset by increased credit costs with seasoning of portfolio and increased delinquencies on secured segment. During the year, the Company passed on a rate reduction of 20 basis points to customers through a revision in the Prime Lending Rate (PLR).

Operating expenses as a percentage of average on book assets declined from 4.9% in FY 2024-25 to 4.4% in FY 2025-26, demonstrating the benefits of scale, improved productivity, and ongoing internal process optimisation.

Profit Before Tax (PBT) for FY 2025-26 stood at ₹169 crores, compared to ₹161 crores in FY 2024-25. The improvement was driven by improved net interest margins, stable collection performance, and continuous improvement in operational efficiency.

Asset Quality and Composition

	FY 2025-26		FY 2024-25	
Particulars	**Advances**	**% of Advances**	**Advances**	**% of Advances**
Housing Loan	7,715	71	7,054	71
Non-Housing Loan	3,227	29	2,819	29
Total	**10,942**	**100**	9,873	100

In Crore, except percentages (As per regulatory definition).

In compliance with Ind AS 109, SMHFC follows the Expected Credit Loss (ECL) model for impairment assessment of its financial assets. As at 31 March, 2026, provision coverage on the total loan book stood at 1.6%, compared to 1.4% as on 31 March, 2025.

The Gross Non-Performing Asset (GNPA) ratio stood at 2.7% as of 31 March, 2026, as compared to 2.4% as of 31 March, 2025.

The Net Non-Performing Asset (NNPA) ratio stood at 1.8% as of 31 March, 2026, compared to 1.6% as of 31 March, 2025.

Resource and Liquidity

SMHFC maintains a robust Asset-Liability Management ('ALM') profile, supported by ongoing diversification of borrowing sources and prudent liquidity strategies. Liquidity is strategically managed through investments in high quality liquid assets, including fixed deposits, money market instruments and treasury bills. The Company also maintains fee-paying committed credit lines to strengthen its liquidity buffer and ensure continuity under stressed conditions.

To support its growth momentum, the Company raised funds across a diversified base including bank borrowings, capital and money markets, direct assignment on loan pools and refinancing from National Housing Bank. As on 31 March, 2026, total secured borrowings stood at 9,734 crores with the funding mix comprising of borrowings from banks and financial institutions (58%), non-convertible debentures (31%) and refinancing from National Housing Bank (11%). During the year, the Company strengthened its funding relationships by onboarding LIC, Nomura, International Finance Corporation and Morgan Stanley as lenders.

Capital Adequacy and Credit Ratings

SMHFC is supported by strong promoter backing, with the parent company playing a key role in supporting growth initiatives and ensuring a prudent capital structure, including a comfortable debt-to-equity ratio. As of 31 March, 2026, the Company's Capital Adequacy Ratio (CAR) stood at 22.5%, well above the regulatory minimum of 15%.

SMHFC maintained its highest long-term credit ratings of:

AAA/Stable from CRISIL and CARE

Short-term debt programmes:

A1+ from CRISIL and CARE

Foreign Currency Long-term Issuer Rating

Further the Company has received rating for its foreign currency borrowings from Japan credit rating agency dated 10 April, 2026.

AA- Stable from Japan Credit Rating Agency

These ratings reaffirm the Company's strong financial discipline, capital strength, and ability to meet its obligations in a timely manner.

Cautionary Statement

This document contains forward-looking statements relating to future performance, operations, and expectations of SMFG India Home Finance Company Ltd. These statements are based on current assumptions, plans, and estimates that involve inherent risks and uncertainties.

Actual results could differ materially due to factors including economic conditions, regulatory changes, competitive dynamics, and other external events beyond the Company's control. Readers are cautioned not to place undue reliance on these statements and are encouraged to review the assumptions, disclaimers, and risk factors outlined in the FY 2025-26 Annual Report for a comprehensive understanding.

Annexure II to the Directors' Report

Report on Corporate Governance

Company's Philosophy on Corporate

SMFG India Home Finance Company Limited ('SMHFC'/'Company') believes that best Board practices and transparent disclosures are necessary for creating shareholders' value. The Company has embedded the philosophy of corporate governance into all its activities. The Board of Directors of the Company ('the Board') provides direction and guidance to the Company's Leadership Team and further supervise and review the performance of the Company. In addition to compliance with regulatory requirements, the Company endeavours to adopt and enforce highest standards of ethical and responsible conduct.

The constitution of the Board and its Committees is in compliance with the relevant provisions of the Companies Act, 2013 ('the Act'), relevant Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR 2015'), Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 ('RBI Governance Directions') and Reserve Bank of India (Housing Finance Companies) Directions, 2025 ('RBI HFC Directions').

The Company was identified as a High Value Debt Listed Entity ("HVDLE") with effect from 7 September, 2021. Accordingly, it was required to comply with the corporate governance provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR 2015") on a "comply or explain" basis until 31 March, 2025, and thereafter on a mandatory basis, pursuant to the SEBI (LODR) (Amendment) Regulations, 2024 dated 17 May, 2024. The Company had duly complied with the applicable corporate governance norms prescribed under the SEBI LODR 2015. However, the Company ceased to be classified as an HVDLE with effect from 22 January, 2026, pursuant to Regulation 62C of the SEBI (LODR) (Amendment) Regulations, 2026 on account of revision in the limits of classification as HVDLE.

Board of Directors

All the Directors of the Company are well qualified persons of proven competence and possess the highest level of personal and professional ethics, integrity and values. The Directors of the Company exercise their objective judgement independently. The Directors actively participate in all strategic issues which are crucial for the long-term development of the Company.

As on 31 March, 2026, the Board comprises of six directors, with three Non-Executive, Independent Directors including one women Non-Executive, Independent Director (i.e., 50%), two Non-Executive, Non-Independent Director (i.e., 33.33%) and one Executive Director being the Managing Director and CEO of the Company. The Chairperson of the Board is a Non-Executive, Independent Director. The composition of the Board is in conformity with Regulation 62D of the SEBI LODR 2015 read with Section 149 and Section 152 of the Act.

The Company has obtained approval of the shareholders through special resolution for appointment of Mr. Diwakar Gupta, Independent Director of the Company, who would attain the age of 75 years, during the term of his office in terms of Regulation 62D(2) of the SEBI LODR 2015.

All the Independent Directors of the Company have given a declaration that they meet the criteria of independence, as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR 2015.

In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise and experience and they continue to fulfil the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) of the SEBI LODR 2015 and Section 149(6) of the Act and are independent of the management of the Company.

Number of Board Meetings

During the year under review, eight (8) Board meetings were convened and held on the following dates, wherein the required quorum was present throughout the meeting:

i. 07 May, 2025
ii. 13 June, 2025
iii. 04 August, 2025
iv. 22 September, 2025
v. 11 November, 2025
vi. 27 January, 2026
vii. 05 February, 2026
viii. 25 March, 2026

The time gap between two consecutive meetings was less than 120 days and at least one meeting was held in every quarter.

As a matter of good governance, the dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance and participation of all the Directors. The relevant background materials of the agenda items are made available well in advance of the meetings and material information is presented for meaningful deliberations at the Board meetings. Further, the Board on a continuous basis not only reviews the actions and decisions taken by it but also by the Committees constituted by it.

Composition of the Board

Details of the Board, in terms of their directorships/memberships in committees of public limited companies, are as under:

Name of the Director & DIN	Director Since	Category Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	As on 31 March, 2026			Other Directorship (Including their designation in other listed entities)
			No. of Other Directorships	No. of Committees		
				As Member	As Chairperson	
Mr. Colathur Narayanan Ram (DIN: 00211906)	20 August, 2024	Chairperson, Non-Executive, Independent Director	5	2	0	1. SMFG India Credit Company Limited (Non-Executive, Independent Director) 2. Perfios Software Solutions Private Limited (Director) 3. Aditya Birla Health Insurance Co. Limited (Non-Executive, Independent Director) 4. FYNDNA Techcorp Private Limited (Managing Director) 5. Bandhan AMC Limited (Non-Executive, Independent Director)
Mr. Deepak Patkar (DIN: 09731775)	2 February, 2023	Managing Director and CEO	0	0	0	-
Ms. Dakshita Das (DIN: 07662681)	20 January, 2023 (re-appointed for a second term w.e.f. 20 January, 2026 for a period of 3 years)	Non-Executive, Independent Director	2	0	1	1. NSE Indices Limited (Non-Executive, Independent Director); 2. Protium Finance Limited (Non-Executive, Independent Director)
Mr. Diwakar Gupta (DIN: 01274552)	9 January, 2026	Non-Executive, Independent Director	10	1	4	1. Mahindra Holidays & Resorts India Limited (Non-Executive, Independent Director) 2. Crisil Ratings Limited (Non-Executive, Independent Director) 3. Mahindra and Mahindra Financial Services Limited (Non-Executive, Independent Director) 4. National Asset Reconstruction Company Limited (NARCL) (Non-Executive, Independent Director) 5. CRISIL ESG Ratings & Analytics Limited (Non-Executive, Independent Director) 6. Alkem Laboratories Limited (Non-Executive, Independent Director) 7. SMFG India Credit Company Limited (Non-Executive, Independent Director) 8. Mahindra Susten Private Limited (Non-Executive, Independent Director) 9. Resurgence Solarise Urja Private Limited (Non-Executive, Independent Director) 10. Holiday Club Resorts Oy (Finland) (Overseas Subsidiary of MHRIL) (Non-Executive, Independent Director)
Mr. Surya Prakash Rao Pendyala (DIN: 02888802)	11 September, 2025	Non-Executive, Non-Independent Director	4	0	0	1. Kerala Infrastructure Fund Management Limited (Non-Executive, Independent Director) 2. SBI Ventures Limited (Non-Executive, Independent Director) 3. SMBC Global Services Private Limited (Director) 4. Prachetas Capital Private Limited (Additional Director)
Mr. Ravi Narayanan (DIN: 08528459)	9 January, 2026	Non-Executive, Non-Independent Director	1	0	0	SMFG India Credit Company Limited (Chief Executive Officer & Managing Director)

01
02
Statutory Reports
03

Notes:

1. *For the purpose of considering the committee membership and Chairmanship, the Audit Committee and Stakeholders Relationship Committee of other public limited companies (including HVDLE but excluding Private Limited, Foreign Companies, and Companies u/s 8 of the Act) have been considered. As per disclosure(s) received, the Directors did not hold memberships in more than ten committees and Chairpersonship in more than five committees and none of the Directors is on the Board of more than: i. twenty companies; ii. ten public limited companies; iii. seven listed entities.*

2. *Mr. Shantanu Mitra retired as Non-Executive Director of the Company at the 15th Annual General Meeting (''AGM") of the Company held on 13 June, 2025.*

3. *Mr. Surya Prakash Rao Pendyala was appointed as an Additional, Non-Executive, Non-Independent Director with effect from 11 September, 2025. His appointment was confirmed as Non-Executive, Non-Independent Director at the Extra-ordinary General Meeting of the Company held on 11 November, 2025. The term of Mr. Surya Prakash Rao Pendyala as Non-Executive Director on the Board of the Company as approved by the Reserve Bank of India is 5 years from the date of his appointment.*

4. *Mr. Diwakar Gupta was appointed as an Additional, Non-Executive, Independent Director with effect from 9 January, 2026. His appointment was confirmed as Non-Executive, Independent Director at the Extra-ordinary General Meeting of the Company held on 5 February, 2026.*

5. *Mr. Ravi Narayanan was appointed as an Additional, Non-Executive, Non-Independent Director with effect from 9 January, 2026. His appointment was confirmed as Non-Executive, Non-Independent Director at the Extra-ordinary General Meeting of the Company held on 5 February, 2026. The term of Mr. Ravi Narayanan as Non-Executive Director on the Board of the Company as approved by the Reserve Bank of India is 5 years from the date of his appointment.*

6. *Ms. Dakshita Das was re-appointed as Non-Executive, Independent Director for a second term with effect from 20 January, 2026. Her appointment as Non-Executive, Independent Director for a second term was confirmed at the Extra-ordinary General Meeting of the Company held on 5 February, 2026.*

Details of change in composition of the Board during the financial year ended 31 March, 2025

(In accordance with Para 7(ii) – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025)

Sl. No.	Name of Director	Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr. Colathur Narayanan Ram	Chairperson, Non-Executive, Independent Director	Appointment	20 August, 2024
2.	Ms. Sudha Pillai	Non-Executive, Independent Director	Cessation	20 August, 2024
3.	Mr. Ajay Pareek	Non-Executive, Non-Independent Director	Resignation	19 August, 2024
4.	Mr. Radhakrishnan B. Menon	Non-Executive, Independent Director	Cessation	22 December, 2024
5.	Mr. Shantanu Mitra*	Chairperson	Cessation	20 August, 2024

Notes:

**Mr. Shantanu Mitra, ceased to be a Chairperson on the Board of the Company w.e.f. 20 August, 2024, and subsequently continued to be a Non-Executive, Non-Independent Director.*

Details of change in composition of the Board during the financial year ended 31 March, 2026

(In accordance with Para 7(ii) – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025)

Sl. No.	Name of Director	Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr. Shantanu Mitra	Non-Executive, Non-Independent Director	Cessation	13 June, 2025
2.	Mr. Surya Prakash Rao Pendyala	Non-Executive, Non-Independent Director	Appointment	11 September, 2025
3.	Mr. Diwakar Gupta	Non-Executive, Independent Director	Appointment	9 January, 2026
4.	Mr. Ravi Narayanan	Non-Executive, Non-Independent Director	Appointment	9 January, 2026
5.	Ms. Dakshita Das	Non-Executive, Independent Director	Re-appointment	20 January, 2026

Key Managerial Personnel

In terms of Section 203 of the Act, following were the Key Managerial Personnel ('KMP') of the Company, as on 31 March, 2026:

Key Managerial Personnel	Designation
Mr. Deepak Patkar	Managing Director and CEO
Mr. Ashish Chaudhary	Chief Financial Officer
Ms. Archana Nadgouda	Company Secretary[1]

[1] *Company Secretary is also designated as Compliance Officer in terms of Regulation 6(1) of the SEBI LODR 2015*

Notes:

1. *Mr. Parthasarathy Iyengar (Membership No. A21472) ceased to hold office of Company Secretary and Compliance Officer from the close of business hours on 23 June, 2025.*
2. *Ms. Archana Nadgouda (Membership No. A17140) was appointed as the Company Secretary and Compliance Officer (under Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015) (designated as a Key Managerial Personnel) of the Company with effect from 22 September, 2025.*

Board Meetings

The attendance of each Director at the meetings of the Board and at the 15th Annual General Meeting (AGM) held during the year under review, are as under:

Directors	Board Meetings		Attendance at the 15th AGM held on 13 June, 2025
	Number of meetings held/ attended during their tenure	% of meetings attended	
Mr. Colathur Narayanan Ram	8/8	100%	Yes
Mr. Shantanu Mitra	1/1	100%	No
Ms. Dakshita Das	8/8	100%	Yes
Mr. Diwakar Gupta	3/3	100%	Not Applicable
Mr. Surya Prakash Rao Pendyala	5/5	100%	Not Applicable
Mr. Ravi Narayanan	3/3	100%	Not Applicable
Mr. Deepak Patkar	8/8	100%	Yes

Number of shares and convertible instruments held by Directors

As on date, none of the Directors hold any equity shares of the Company, except Mr. Deepak Patkar who hold 1 equity share each, as Nominee of SMFG India Credit Company Limited. The Company has not issued any convertible instruments.

Familiarisation Programme

The Company conducts familiarisation programmes for its Non- Executive, Independent Directors. The familiarisation programme ensures that the Non-Executive, Independent Directors are updated on the business and regulatory environment and the overall operations of the Company. The Non-Executive, Independent Directors periodically meet the senior management of the Company wherein they are briefed on the performance of the Company. The details of such Familiarisation Programmes for Non-Executive, Independent Directors may be referred to, at the website of the Company at its weblink i.e., https://www.grihashakti.com/images/cg/Familiarization-Program-for-Independent-Directors.pdf

Board Expertise and Attributes

The Board consists of Directors who bring a wide range of skills, knowledge, expertise and experience, which enhances the overall board effectiveness. The Company has mapped the skills possessed by the Directors, based on the information provided by them, which are necessary in the context of the business of the Company.

A tabular representation of the skill possessed by the Directors of the Company, is as under:

As on 31 March, 2026

Skill Areas	Industry experience	Leadership and strategic planning	Legal and regulatory compliance	Financial expertise	Business operations	Consumer behaviour, sales & marketing	Corporate governance	Risk management	Information Technology & cyber security
Mr. Colathur Narayanan Ram	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Dakshita Das	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Diwakar Gupta	Y	Y	Y	Y	Y	-	Y	Y	-
Mr. Surya Prakash Rao Pendyala	Y	Y	Y	Y	Y	-	Y	Y	Y
Mr. Ravi Narayanan	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Deepak Patkar	Y	Y	Y	Y	Y	Y	Y	Y	Y

Separate Meeting of Independent Directors

The Independent Directors met separately (without the presence of the Management and Non-Executive, Non-Independent Directors) on 7 May, 2025, in terms of Section 149(8) read with Schedule IV of the Act and Regulations 25 of the SEBI LODR 2015.

Resignation of Independent Directors

During the year under review, there was no resignation of any Independent Director of the Company.

Code of Conduct

All the Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for Directors, senior management, key managerial personnel and employees of the Company. The Managing Director and CEO has also confirmed and certified the same. Certification to this effect is provided at the end of this Report on Corporate Governance.

Board Committees

The following data is provided, as on date.

The Committees constituted by the Board focus on specific areas. They take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. As on 31 March, 2026, the Company has seven Committees of the Board:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Risk Oversight Committee;
5. Corporate Social Responsibility Committee;
6. IT Strategy Committee; and
7. Wilful Defaulter Review Committee

Audit Committee

The Board has constituted the Audit Committee pursuant to the requirements under Section 177 of the Act, the SEBI LODR 2015, RBI HFC Directions and RBI Governance Directions. The Audit Committee is vested with necessary powers, as per its Terms of Reference, duly approved by the Board.

The Statutory Auditors and Internal Auditors are invited to the meeting to bring out the issues which they may have with regards to finance, operations, compliance, processes, systems and other relevant matters. The proceedings of the Audit Committee Meetings were noted by the Board at its meetings. The Company Secretary acts as Secretary to the Committee.

Composition

The Audit Committee currently comprises of three Non-Executive, Independent Directors and one Non-Executive, Non-Independent Director. All the members of the Audit Committee are financially literate and persons of proven competence and integrity.

Name of the Member	Category (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of the Committee since
Ms. Dakshita Das, Non-Executive, Independent Director	Chairperson	20 January, 2023 (As a Chairperson - 20 August, 2024)
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	29 January, 2026
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director	Member	29 January, 2026

Notes:

1. *Mr. Shantanu Mitra ceased to be a member of the Committee w.e.f. 13 June, 2025.*
2. *Mr. Deepak Patkar was inducted as a member w.e.f. 13 June, 2025 and ceased to be a member w.e.f. 29 January, 2026.*
3. *Ms. Dakshita Das, Chairperson of the Audit Committee, attended the last Annual General Meeting held on 13 June, 2025.*

Brief Description of Terms of Reference:

The Audit Committee ("the Committee") of the Board has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, Regulation 62F of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India (RBI) (Non-Banking Financial Companies-Governance) Directions, 2025 and RBI Guidelines for risk based Internal Audit dated 03 February, 2021. The Committee is vested with necessary powers as defined in its Terms of Reference, duly approved by the Board.

The Terms of Reference of the Audit Committee, in brief, are as under:

a) Oversee the financial reporting process to ensure accuracy, sufficiency, and credibility of financial statements and review annual financial statements and statutory auditors' reports with management before submission to the Board, focusing on:
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting estimates based on the exercise of judgement by management
   - Significant adjustments in the financial statements resulting from audit findings
   - Going concern assumption
   - Compliance with accounting standards and legal requirements
   - Disclosure of related party transactions
   - Modified opinion(s) in the draft audit report
   - Investments by unlisted subsidiaries
   - Management discussion and analysis of financial condition and results of operations
   - Director's responsibility statement as per Section 134(3)(c) of the Companies Act, 2013

b) Review with the management, the quarterly financial results prior to Board submission.

c) Examine auditors' reports, discuss findings, and address significant disagreements between management and Statutory Auditors regarding financial statements.

d) Recommend the appointment, removal, remuneration, and terms of appointment of Internal and External auditors.

e) Monitor auditors' independence, performance, and the effectiveness of audits, including the results of quality assurance programs and adequacy of internal control systems.

f) Assess the internal audit function's adequacy, structure, frequency, effectiveness and methodology; internal financial controls and risk management systems, review Risk Based Internal Audit plans regularly, review IT/IS/cyber security issues, IS Audit Policy, outsourced company activities based on risk assessments and findings.

g) Address internal control weaknesses noted in audit reports / letters issued by the auditors and discuss relevant issues with internal and statutory auditors and company management.

h) Meet with statutory auditors atleast twice a year, pre and post audit, to discuss audit scope, significant findings and any areas of concern.

i) Approve additional services by auditors, except those prohibited, and advise on remuneration for such services.

j) Review auditor findings related to fraud or suspected fraud and report significant issues to the Board, as per relevant policies.

k) Examine the reports from the Fraud Risk Management Committee and the Wilful Defaulter Review Committee and note the proceedings of Compliance Committee.

l) Recommend Compliance Policy to the Board and review quarterly compliance updates.

m) Investigate substantial defaults in payments to debenture holders, shareholders (in case of non-payment of declared dividends) , and creditors.

n) Review, approve, ratify related party transactions or any subsequent modifications thereto;

o) Scrutinise inter-corporate loans and investments.

p) Establish and oversee a vigil (whistleblower) mechanism for directors and employees, addressing reports and complaints appropriately.

q) Approve valuations of undertakings or asset under the Companies Act as necessary.

r) Review and approve the appointment and terms of the Chief Financial Officer and Head of Internal Audit.

s) Assess the utilisation of significant loans or advances from the holding company in subsidiaries.

t) Comment on the implications of merger, demerger, or amalgamation schemes on the Company and shareholders.

u) Review with the management, the provision utilisation statement for securities issued, ensuring compliance with applicable laws until full utilisation; assess any material deviations in usage and monitoring the end use of funds raised through an issue and related matters.

v) Approve adjustments to Expected Credit Loss models, Management Overlays, account impairments, provisions for specific exposures and review justification for rebuttable presumption.

w) Analyse aging entries pending reconciliation with cash management service providers.

x) Review update on Customer Service complaints and reports submitted by the Internal Ombudsman.

y) Review any deviation from the Credit Risk Management Policy relating to provisions of lending to related parties and reasons therefor.

z) Assess the status of complaints under The Prevention of Sexual Harassment (PoSH) Act.

aa) Review and approve/recommend relevant policies for approval to the Board.

bb) Perform additional functions delegated by the Board or mandated by law/regulations.

cc) Meet with credit rating agencies annually as required by SEBI.

dd) Hold quarterly meetings with the Chief Compliance Officer and Head of Internal Audit without management presence.

ee) Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify the adequacy of the internal control system and operating efficiency.

ff) Approve the Terms of Reference of sub-committees reporting to the Committee and Review their proceedings.

Meetings and Attendance during the year

The meetings of the Audit Committee were held five times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

i. 7 May, 2025;

ii. 4 August, 2025;

iii. 11 November, 2025;

iv. 5 February, 2026; and

v. 17 February, 2026

The details of the attendance of the aforesaid meetings are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be a member w.e.f. 13 June, 2025)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	5/5	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	5/5	100%
Mr. Diwakar Gupta, Non-Executive, Independent Director (inducted as a member w.e.f. 29 January, 2026)	2/2	100%
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	2/2	100%
Mr. Deepak Patkar, Managing Director and CEO (inducted as a member w.e.f. 13 June, 2025 and ceased to be a member w.e.f. 29 January, 2026)	2/2	100%

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee ('NRC') of the Board pursuant to the requirements under Section 178 of the Act, the SEBI LODR 2015, the RBI HFC Master Directions and RBI Governance Directions and other applicable provisions. The NRC is vested with necessary powers, as per its Terms of Reference, duly approved by the Board.

Composition

The NRC currently comprises of three Non-Executive, Independent Directors and one Non-Executive, Non-Independent Director, detailed as under:

Name of the Member	Category	Member of the Committee since
Ms. Dakshita Das, Non-Executive, Independent Director	Chairperson	20 August, 2024
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	29 January, 2026
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director	Member	29 January, 2026

Notes:

1. *Mr. Shantanu Mitra ceased to be a member of the Committee w.e.f. 13 June, 2025.*
2. *Mr. Surya Prakash Rao Pendyala was inducted as a member w.e.f. 12 September, 2025 and ceased to be a member w.e.f. 29 January, 2026.*
3. *Ms. Dakshita Das, Chairperson of the Committee, attended the last Annual General Meeting held on 13 June, 2025.*

Brief Description of Terms of Reference:

The Terms of Reference of the NRC, in brief, are as under:

Nomination Functions:

- Review the Board structure, size, composition and diversity policy.
- Evaluate the Board skills, knowledge and experience; recommend adjustments.
- Formulate criteria for director qualifications, attributes and independence.
- Recommend qualified director candidates who meet "fit and proper" criteria.
- Use external agencies to find suitable Independent Director candidates.
- Recommend qualified Senior Management candidates while avoiding conflicts of interest.
- "Senior Management" is defined as officers below CEO/MD/WTD, including functional heads, Company Secretary, CFO, etc.
- Devise performance review mechanisms; recommend reappointment of Directors based on evaluations.
- Review and recommend Succession Planning Policy for Directors and Senior Management; approve succession plans for key positions and Senior Management.

Remuneration Functions:

- Recommend remuneration policy for Directors, Key Managerial Personnel, and all other employees of the company.
- Review and recommend Directors' and Senior Management's remuneration.
- Approve MD & CEO/Executive Director compensation within shareholder-approved limits and regulations.
- Recommend overall employee compensation strategy and budget.
- Coordinate with the Risk Oversight Committee to align compensation and risks.

Others:

- Review NRC activities for reporting and Annual Report inclusion.
- Conduct regular reviews of NRC policies.
- Perform additional functions delegated by the Board or required by regulations.

Meetings and Attendance during the year

The NRC meetings were held five times during the year on the following dates wherein the necessary quorum was present throughout the meeting:

i. 7 May, 2025
ii. 13 June, 2025
iii. 22 September, 2025
iv. 11 November, 2025 and
v. 25 March, 2026

The details of the attendance of the aforesaid meetings are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive Non-Independent Director (ceased to be a member w.e.f. 13 June, 2025)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	5/5	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	5/5	100%
Mr. Surya Prakash Rao Pendyala (inducted as a member w.e.f. 12 September, 2025 and ceased to be a member w.e.f. 29 January, 2026)	2/2	100%
Mr. Diwakar Gupta, Non-Executive, Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%

The proceedings of the NRC Meetings were noted by the Board at its meetings. The Head of Human Resources of the Company, acts as the Secretary to the Committee.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors were determined by the NRC. An indicative list of parameters on the basis of which evaluation of performance of Independent Directors was carried out includes their involvement, contribution, knowledge, competency, teamwork, initiative, commitment, integrity, independence and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board of the Company.

Stakeholders relationship Committee

The Board has constituted the Stakeholders relationship Committee ('SRC') of the Board pursuant to the requirements under Section 178 of the Act, the SEBI LODR 2015. The SRC is vested with necessary powers, as per its Terms of Reference, duly approved by the Board. Ms. Archana Nadgouda, the Company Secretary and Compliance Officer of the Company, oversees the investor complaints received and redressed during the year.

The proceedings of the SRC Meeting were noted by the Board at its meeting. The Company Secretary acts as Secretary to the Committee.

Composition

The SRC currently comprises of two Non-Executive, Independent Director, one Non-Executive, Non-Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director	Chairperson	29 January, 2026
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	13 June, 2025 (Chairperson up to 28 January, 2026)
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 August, 2024
Mr. Deepak Patkar, Managing Director and CEO	Member	20 August, 2024

Note:

1. *Mr. Shantanu Mitra ceased to be a Chairperson of the Committee w.e.f. 13 June, 2025.*
2. *Mr. Shantanu Mitra, Chairperson of the Committee had authorised Mr. Deepak Patkar, member of the Committee to attend the last Annual General Meeting held on 13 June, 2025.*

Brief Description of Terms of Reference:

The terms of reference of the SRC are as under:

- Resolve security holders' grievances, including complaints related to share transfers /transmissions, non-receipt of annual report, non-receipt of dividend, certificate requests, creation of charge, payment of interest/principal, maintenance of security cover and any other covenants, and general meetings, etc.
- Review measures for effective exercise of shareholder voting rights.
- Review adherence to service standards adopted by the Company in respect of various services being rendered by the Registrar to an issue & Share Transfer Agent
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants, annual reports, and statutory notices by shareholders of the company.
- Address other matters as directed by the Board related to shareholders, debenture holders, and investors or prescribed under the applicable laws.

Meeting and Attendance during the year

The SRC meeting was held once during the year on 5 February, 2026 wherein the necessary quorum was present throughout the meeting.

The details of the attendance of the aforesaid meeting are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be member w.e.f. 13 June, 2025)	0/0	Not Applicable
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (inducted as a Chairperson w.e.f. 29 January, 2026)	1/1	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (inducted as a Chairperson w.e.f. 13 June, 2025 and subsequently continued as a member w.e.f. 29 January, 2026)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	1/1	100%
Mr. Deepak Patkar, Managing Director and CEO	1/1	100%

Details of Investor Complaints

During the FY 2025-26, no complaints were received from the debenture holders/other investors (including through the Stock Exchange/ SEBI SCORES platform/Online Dispute Resolution platform), detailed as under:

No. of Complaints pending as on 1 April, 2025	No. of Complaints received during the period from 1 April, 2025 to 31 March, 2026	No. of Complaints disposed off during the period from 1 April, 2025 to 31 March, 2026	No. of Complaints pending as on 31 March, 2026
Nil	Nil	Nil	Nil

Risk Oversight Committee

The Company is committed to the consistent adoption and adherence of the best practices in corporate governance, fostering a culture of accountability, transparency, ethical conduct, and trusteeship within the organization.

The Company's Corporate Governance framework is built around an effective and independent Board, independence of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

The Company has implemented a comprehensive risk management framework aimed at embedding sound risk management practices and maintaining an optimal balance of risk and return, consistent with the Board approved Risk Appetite Statement. The Board has constituted the Risk Oversight Committee ("ROC") to oversee key risk areas across the organization and ensure compliance with applicable RBI Master Directions and regulatory requirements.

The ROC also monitors the risk management in the Company, whereby, risk assessment and mitigation procedures are reviewed periodically by the Board. The proceedings of the ROC meetings were noted by the Board at its meetings. The Company Secretary acts as Secretary to the ROC.

Composition

The ROC currently comprises of two Non-Executive, Independent Director, two Non-Executive, Non-Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director	Chairperson	29 January, 2026
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	29 January, 2026
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director	Member	29 January, 2026
Mr. Deepak Patkar, Managing Director and CEO	Member	8 November, 2022

Note:

1. *Mr. Shantanu Mitra ceased to be a Chairperson of the Committee w.e.f. 13 June, 2025.*
2. *Mr. Colathur Narayanan Ram, Non-Executive, Independent Director was appointed as the Chairperson of the Committee w.e.f. 13 June, 2025 and he ceased to be a member of the Committee w.e.f. 29 January, 2026.*

Brief Description of Terms of Reference:

The Terms of Reference of ROC, in brief, are as under:

i. Guide the development of a robust risk management framework and foster a risk-aware culture.

ii. Establish, review, and monitor risk management policies and frameworks, including credit, market, liquidity, currency, interest rate, financial, operational, sectoral, cyber security, information security, information technology, fraud (including effectiveness of Early Warning Signal framework), and sustainability (environment, social and governance) risks and assess the adequacy of risk mitigation measures and internal control systems of identified risks.

iii. Supervise cyber security, information security, and IT risks, updating relevant policies periodically with the IT Strategy Committee (ITSC).

iv. Review legal, compliance and reputational risk, which would include reviewing customer grievances/ disputes and their resolutions and all other risks emanating from the Company's operations and market/ industry/ economic environment.

v. Review portfolio performance, product programs, and set overall risk tolerance limits.

vi. Develop, review and recommend the periodic Risk Appetite Statement (RAS) to the Board for approval and monitor results against the approved metrics.

vii. Review and recommend proposals for 'New Products' to the Board for approval.

viii. Review the Company's outsourcing strategies for continued relevance, approval of new material activities, review of terminated material activities and review of centralised inventory of material outsourcing activities on a periodic basis as mandated by the regulator.

ix. Review and recommend to the Board the strategies and policies related to Business Continuity and BCP testing results, wherever required.

x. Review and approve stress test results and internal capital requirement as per ICAAP exercise and recommendation to the Board for approval.

xi. Review and approve purchase of standard assets and sale/ purchase of stressed assets, within the Board approved policy guidelines, wherever required.

xii. Review and approve various delegations to management team, as detailed in the Credit Risk Management Policy, Policy on Stressed Assets Management and other relevant policies.

xiii. Review and approve lending (including any subsequent material changes to the terms) to related parties and/or Specified Employees as detailed in the Credit Risk Management Policy of the Company. Interested members shall abstain from the deliberations and decision making process in respect of lending involving themselves or their related parties.

xiv. Approve changes to the underlying Expected Credit Loss (ECL) model or methodology based on recommendation of ECL Model Assessment Committee and recommendation thereof to the Board.

xv. Review periodic updates on compromise settlements and technical write-offs and report the same to the Board.

xvi. Approve the Terms of Reference of sub-committees reporting to the Committee and review their proceedings and perform other delegated functions or mandatory regulatory duties.

xvii. Note and/or recommend to Board, wherever necessary, reporting of various matters as mandated by Regulator or the Company's policy requirements.

xviii. Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

xix. Work in close coordination with Nomination and Remuneration Committee to achieve effective alignment between compensation and risks.

xx. Review the appointment, removal and terms of remuneration of the Chief Risk Officer of the Company.

xxi. In case the Chief Risk Officer (CRO) reports to the MD & CEO, the ROC shall meet the CRO without the presence of the MD & CEO, at least once on a quarterly basis.

xxii. Review and approve/recommend relevant policies for approval by the Board.

xxiii. Perform additional functions delegated by the Board or mandated by law/regulations.

Meetings and Attendance during the year

The meetings of the ROC were held five times during the year on the following dates, wherein the necessary quorum was present at all the meetings:

i. 2 May, 2025
ii. 4 August, 2025
iii. 4 November, 2025
iv. 11 November, 2025 and
v. 5 February, 2026

The details of the attendance of the aforesaid meetings are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be a Chairperson and Member w.e.f. 13 June, 2025)	1/1	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (appointed as Chairperson of the Committee w.e.f. 13 June, 2025 and ceased to be a Chairperson and member w.e.f. 29 January, 2026.)	3/3	100%
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director (inducted as Chairperson w.e.f. 29 January, 2026)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	5/5	100%
Mr. Diwakar Gupta Non-Executive, Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Deepak Patkar, Managing Director and CEO	5/5	100%

Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility ('CSR') Committee to comply with the requirements of Section 135 of the Act. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

The proceedings of the CSR Meetings were noted by the Board at its meetings. The Company Secretary acts as Secretary to the Committee.

Composition

The CSR Committee currently comprises of two Non-Executive, Independent Director and two Non-Executive, Non-Independent Director.

Name of the Member	Category	Member of the Committee since
Ms. Dakshita Das, Non-Executive, Independent Director	Chairperson	20 August, 2024 (As a Chairperson-29 January, 2026)
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	13 June, 2025 (Chairperson up to 28 January, 2026)
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director	Member	29 January, 2026
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director	Member	29 January, 2026

Note:

1. *Mr. Shantanu Mitra ceased to be a Chairperson and member of the Committee w.e.f. 13 June, 2025.*
2. *Mr. Deepak Patkar ceased to be a member of the Committee w.e.f. 29 January, 2026.*

Brief Description of Terms of Reference

The Terms of Reference of the CSR Committee in brief are as under:

i. Formulating and recommending CSR policy, and any modifications.

ii. Monitoring the implementation of the CSR policy and ongoing projects.

iii. Reviewing and recommending the Annual Budget for CSR activities.

iv. Formulate and recommend an Annual Action Plan detailing approved CSR projects, execution methods, fund utilisation, monitoring mechanisms, and impact assessments.

v. Ensuring transparent monitoring of CSR initiatives and reviewing expenditure.

vi. Aligning CSR efforts with partners in identified sectors.

vii. Conducting impact assessments via independent agencies when required and recommending these to Board.

viii. Finalising the annual CSR Report and obtaining necessary approvals.

ix. Recommending responsibility statements for the Board's report to ensure compliance with CSR objectives.

x. Performing additional functions as delegated by the Board.

xi. Review and recommend to the Board, the certificate submitted by Chief Financial Officer or the person responsible for financial management and the impact assessment report obtained by the Company from time to time.

xii. To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company.

Meetings and Attendance during the year

The meetings of the CSR Committee were held twice during the year on the following dates, wherein the necessary quorum was present at all the meetings:

i. 7 August, 2025 and

ii. 25 March, 2026

The details of the attendance of the aforesaid meetings are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be a Chairperson and member w.e.f. 13 June, 2025)	0/0	Not Applicable
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (inducted as a Chairperson w.e.f. 13 June, 2025 and subsequently redesignated as member w.e.f. 29 January, 2026)	2/2	100%
Ms. Dakshita Das, Non-Executive, Independent Director (inducted as a member w.e.f. 20 August, 2024 and subsequently redesignated as Chairperson w.e.f. 29 January, 2026)	2/2	100%
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Deepak Patkar, Managing Director and CEO (ceased to be a member w.e.f. 29 January, 2026)	0/1	0%

IT Strategy Committee

The Board has constituted the IT Strategy Committee ('ITS Committee') to comply with the requirements as prescribed by RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November, 2023.

The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

Composition

The ITS Committee currently comprises of two Non-Executive, Independent Directors, two Non-Executive, Non-Independent Director and one Executive Director:

Name of the Member	Category	Member of the Committee since
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Chairperson	20 August, 2024
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023 (Chairperson up to 19 August, 2024)
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director	Member	29 January, 2026
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director	Member	29 January, 2026
Mr. Deepak Patkar, Managing Director and CEO	Member	2 February, 2023

Note:

1. *Mr. Shantanu Mitra ceased to be a member of the Committee w.e.f. 13 June, 2025.*

Brief Description of Terms of Reference:

The Terms of Reference of the ITS Committee in brief, are as under:

1. Guide, approve, and periodically update an IT strategy to align with the organization business goals, comply with RBI regulations, and address evolving needs and risks.

2. Approving of Information Technology (IT) Policy, Information Security (IS) Policy, Cyber Security Policy and Cyber Crisis Management Plan (CCMP) documents and ensure effective IT governance by defining roles and responsibilities at each level of the organization.

3. Monitoring IT strategy implementation, and evaluating the performance of the IT Steering Committee, and the Information Security Committee.

4. Oversee and review at least annually the IT capacity planning to ensure adequate, scalable, and resilient infrastructure in line with business growth and performance metrics.

5. Oversee and review at least annually the IT and cybersecurity risk assessments, ensure robust mitigation measures, and maintain effective disaster recovery and business continuity plans while balancing IT investments and risk management.

6. Approve and monitor the IT and cybersecurity budget and resource utilisation to support the organization strategic objectives, IT maturity and risk mitigation at least annually.

7. Review annual IT risk assessment, ensure implementation of recommendations, and recommend external IT/IS auditors to the Audit Committee.

Meetings and Attendance during the year

The meetings of the ITS Committee were held four times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

i. 8 May, 2025;
ii. 4 August, 2025;
iii. 11 November, 2025 and
iv. 5 February, 2026

The details of the attendance of the aforesaid meetings, are as under.

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be a member of the Committee w.e.f. 13 June, 2025)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	4/4	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	4/4	100%
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Ravi Narayanan, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%
Mr. Deepak Patkar, Managing Director and CEO	4/4	100%

The proceedings of the meetings of the ITS Committee were noted by the Board at its meetings. The Company Secretary acts as Secretary to the ITS Committee.

Wilful Defaulter Review Committee

The Board has constituted the Wilful Defaulter Review Committee ('WDRC') in compliance with the requirements prescribed by the RBI Master Direction. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

Composition

The WDRC currently comprises of two Non-Executive, Independent Directors, one Non-Executive, Non-Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Deepak Patkar, Managing Director and CEO	Chairperson	2 February, 2023 (Chairperson w.e.f. 20 August, 2024)
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director	Member	29 January, 2026

1. *Mr. Shantanu Mitra ceased to be a member of the Committee w.e.f. 13 June, 2025.*

Brief Description of Terms of Reference:

The Terms of Reference of the WDRC in brief, are as under:

i. To review, consider and classify a borrower/guarantor/promoter/director /persons who are in charge and responsible for the management of the affairs of the Company as a Wilful Defaulter based on written proposal from the WDIC.

ii. To provide an opportunity to the identified borrower / guarantor / promoter / director / persons who are in charge and responsible for the management of the affairs of the Company for making a written representation to the WDRC within 15 days of such a proposal from the WDIC to classify them as a Wilful Defaulter.

iii. To provide an opportunity for a personal hearing to the identified borrower / guarantor / promoter / director / persons who are in charge and responsible for the management of the affairs of the Company without the right of the borrower(s) to be represented by a lawyer.

iv. To jointly appoint a designated official with WDIC, to issue show cause notice (SCN) and serve written reasoned order(s) on behalf of the WDIC and WDRC respectively.

v. To pass a reasoned order and communicate the same to the Wilful Defaulter through the aforementioned appointed designated official.

vi. To note the removal of Wilful Defaulters from the List of Wilful Defaulters (LWD).

vii. To approve Compromise Settlement of loan accounts reported as Fraud/ Wilful Defaulter.

viii. To carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or is mandatory for it to be carried out by any regulatory requirements.

Meetings and Attendance during the year

The WDRC meeting was held once during the year on 25 March, 2026 wherein the necessary quorum was present throughout the meeting.

The details of the attendance of the aforesaid meeting are as under:

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Deepak Patkar, Managing Director and CEO	1/1	100%
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (ceased to be a member of the Committee w.e.f. 13 June, 2025)	0/0	Not Applicable
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	1/1	100%
Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 29 January, 2026)	1/1	100%

Particulars of senior management including the changes therein since the close of the previous financial year

The details of Senior Management as on 31 March, 2026 pursuant to SEBI LODR 2015 is as under:

Sr. No.	Name	Designation
1.	Mr. Vishwas Shrungarpure	Chief Business Officer
2.	Mr. Abbasi Sadikot	Chief Risk Officer
3.	Mr. Ashish Chaudhary	Chief Financial Officer
4.	Mr. Devendra Shrivastava	Head, Operations
5.	Mr. Karan Makhania	Head, Human Resources
6.	Ms. Namratha Nayak	Head, Internal Audit
7.	Ms. Archana Nadgouda	Company Secretary
8.	Mr. Shashi Mishra	Chief Technology Officer
9.	Mr. Rajib Dutta	Chief Compliance Officer
10.	Mr. Vibhor Chugh	Head, Credit Risk

Changes in Senior Management since the close of the previous financial year:

During the year, the following were the changes in the senior management of the Company:

- Company Secretary (CS) – Mr. Parthasarathy Iyengar ceased to be a CS of the Company from close of business hours on 23 June, 2025, and Ms. Archana Nadgouda was appointed as CS of the Company w.e.f. 22 September, 2025.
- Chief Technology Officer (CTO) – Mr. Pratish Nair ceased to be a CTO of the Company w.e.f. 30 June, 2025 and Mr. Shashi Mishra was appointed as a CTO of the Company w.e.f. 01 July, 2025

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Board approved Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons as well as a Code of Fair Disclosure in accordance with aforesaid Regulations. All the Directors on the Board and Management Team and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code. The Fair disclosure code referred above can be accessed, at the website of the Company at its weblink i.e. https://www.grihashakti.com/IMAGES/CG/SMHFC-Code-of-practices-and-procedures-for-fair-disclosure-of-UPSI.pdf.

Remuneration of Directors

Details of remuneration paid to the Non-Executive Directors for the FY 2025-26, are as under:

Non-Executive, Non-Independent Directors:

Details of remuneration paid to the Non-Executive, Non-Independent Director of the Company for the FY 2025-26, are as under:

Members	Sitting Fees Paid for meetings of the Board/Committees held during the FY 2025-26 (₹)	Commission paid for the FY 2024-25 (₹)
Mr. Surya Prakash Rao Pendyala	9,90,000	Not applicable

As per the term of appointment of Mr. Surya Prakash Rao Pendyala, he is eligible for payment of sitting fees and profit-based commission.

Non-Executive, Independent Directors:

Details of remuneration paid to the Non-Executive, Independent Directors of the Company for the FY 2025-26, are as under:

Members	Sitting Fees Paid for meetings of the Board/Committees held during the FY 2025-26 (₹)	Commission paid for the FY 2024-25 (₹)
Ms. Sudha Pillai	Not applicable	12,85,714
Mr. Radhakrishnan B. Menon	Not applicable	17,14,286
Ms. Dakshita Das	24,80,000	30,00,000
Mr. Colathur Narayanan Ram	23,40,000	22,85,714
Mr. Diwakar Gupta	5,80,000	Not applicable

All Non-Executive Directors (Independent and Non-Independent) are being paid remuneration by way of sitting fees of ₹70,000/- for attending every meeting of the Committees of the Board and ₹1,00,000/- for attending every meeting of the Board.

The Board of Directors at its meeting held on 27 March, 2024, had approved the revision in the remuneration/commission payable to the Non-Executive, Independent Directors, with effect from 1 April, 2024 as under:

Remuneration/Commission

- Limits for each Independent Director - ₹3 mn per year
- Limits for Chairman (who is an Independent Director) of the Board - ₹4 mn per year.

Further, the Board of Directors at its meeting held on 25 March, 2026 and shareholders at the Extra-ordinary General Meeting held on 22 April, 2026 had approved the payment of Commission or Remuneration to Non-Executive, Non-Independent Directors, eligible as per their terms of appointment, for each financial year, from the date of their appointment up to 31 March, 2027.

Executive Director:

Details of the remuneration paid to Mr. Deepak Patkar as the Managing Director and CEO of the Company, during the period 1 April, 2025 to 31 March, 2026, both days inclusive are as under:

i) All elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc.

Particulars of Remuneration	Amount in ₹
Salary	2,35,80,828
Value of perquisites, other benefits, allowances & retirement benefits	53,760
Retiral Benefits	11,31,880
Stock Appreciation Option	5,53,23,345
Performance Bonus paid (for Previous Year Performance i.e. FY 2024-25)	1,41,60,000
Total	**9,42,49,813**

ii) Details of fixed component and performance linked incentives, along with the performance criteria:

Fixed pay details included in Salary and perquisites.

iii) Service contracts, notice period, severance fees:

a. Service contract: Not Applicable

b. Notice Period: 90 days

c. Severance Fees: Not Applicable

iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable - Phantom stock units issued as on date: 2,14,43,900

The options vest on completion of 3+ years from the date of grant at an equal ratio over a period of 2/3 years, as per terms specified in each grant. The units so vested are to be exercised within 2/3 years from the final date of vesting, as per terms specified in each grant.

The Board of Directors at the meeting held on 11 May, 2026 approved the revision in the remuneration limits of the MD & CEO in case of inadequacy of profits with effect from 1 April, 2026 as recommended by the NRC subject to shareholders approval. Further, the shareholders approved the revision in the remuneration limits of MD&CEO and ratification of excess remuneration paid during FY2024-25 and FY2025-26 at the Extra-Ordinary General Meeting held on 11 May, 2026.

Transactions with Non-Executive Directors

The Non-Executive Directors of the Company have not entered into any pecuniary relationships or transactions with the Company or its Directors, Senior Management, other than in the normal course of business of the Company, except receipt of sitting fees and commission by the Non-Executive Directors of the Company. Further, there are no inter-se relationships between our Board Members.

Criteria for paying remuneration to Non-Executive Directors

The NRC has approved the criteria for payment of remuneration to its Non-Executive Directors. The criteria for payment of remuneration to Non-Executive Directors is in consonance with the Remuneration Policy of the Company which is available on our website i.e., at https://www.grihashakti.com/images/CG/SMFG-Grihashakti-remuneration-policy.pdf;

General Body Meeting

a) Annual General Meeting:

The details of the Annual General Meeting held in the last three years, are given below:

Annual General Meeting (AGM)	Venue	Day & Date	Time	Special Resolutions passed
Fifteenth AGM	Through two-way video conferencing	Friday, 13 June, 2025	11:30 A.M.	No Special Resolution was passed.
Fourteenth AGM		Wednesday, 19 June, 2024	10:30 A.M.	1. To approve the power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 15,000 crores. 2. To approve the power to create charge on the assets of the Company to secure borrowings up to ₹ 15,000 crores, pursuant to section 180(1)(a) of the Companies Act, 2013.
Thirteenth AGM		Tuesday, 11 July, 2023	11:45 A.M.	No Special Resolution was passed.

All the resolutions were passed by show of hands and no resolution was passed by postal ballot. There is no immediate proposal for passing any resolution through postal ballot.

b) Extra-ordinary General meetings:

Venue	Day & Date	Time	Special Resolutions passed
2nd North Avenue, Maker Maxity, Floor 10, BKC, Bandra (East), Mumbai – 400 051 Through Two Way Video Conferencing	Thursday, 5 February, 2026	5:15 P.M.	1. Re-appointment of Ms. Dakshita Das (DIN: 07662681) as the Non-Executive, Independent Director of the Company. 2. Appointment of Mr. Diwakar Gupta (DIN: 01274552) as the Non-Executive, Independent Director of the Company.
2nd North Avenue, Maker Maxity, Floor 10, BKC, Bandra (East), Mumbai- 400 051	Tuesday, 11 November, 2025	6:30 P.M.	No Special Resolution was passed.

Means of communication

(a) Quarterly, half-yearly and annual financial results of the Company are approved by the Board and submitted to the Stock Exchange, in accordance with Regulation 52 of the SEBI LODR 2015 and are also uploaded on the website of the Company at https://www.grihashakti.com/financial-results.aspx pursuant to Regulation 62 of SEBI LODR 2015.

(b) Quarterly, half-yearly and annual financial results of the Company are published in Financial Express (English language) and Mumbai Lakshadweep (Marathi language) newspapers.

(c) Official news release are also uploaded on the website of the Company at https://www.grihashakti.com/media.aspx.

(d) Presentations are shared to debt institutional investors/ analysts.

General Shareholder Information

a. Annual General Meeting

Date, Time and Venue	29 July, 2026, at 5:30 p.m. IST through two-way video conferencing

b. Financial Calendar (tentative):

Financial Year 2026-27	1 April, 2026 to 31 March, 2027
First Quarter Results	First week of August, 2026
Half Yearly Results	First week of November, 2026
Third Quarter Results	First week of February, 2027
Audited Results for the year ending 31 March, 2027	Second week of May, 2027

c. Dividend Payment Date: The Board of Directors of the Company have not recommended any dividend for the financial year ended 31 March, 2026.

d. Listing on Stock Exchange: The non-convertible debt securities of the Company are listed on the debt market segment of National Stock Exchange of India Limited ('NSE'), Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.

e. Payment of Annual Listing fees: The Company has paid the annual listing fees for the FY 2026-2027.

f. Registrar & Share Transfer Agents: The Company has availed electronic connectivity facility from MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) for its Non-Convertible Securities. The details of the MUFG Intime India Private Limited are given as under:

Address	Contact Details
MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 1st Floor, Embassy 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083.	Toll Free Number (India): 1800 1020 878 Telephone Number: 022-4918 6000 Fax: 022-4918 6060 E-mail: investor.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com;

g. Distribution of shareholding:

Shareholding pattern of the Company as at 31 March, 2026:

Name of the Shareholders	No. of Shares held	Percentage
SMFG India Credit Company Limited*	37,11,63,169	100
Total	**37,11,63,169**	**100**

**Includes 6 shares held by Nominee shareholders of SMFG India Credit Company Limited*

h. No listed debentures were suspended for trading during FY 2025-26.

i. Commodity Price Risk or Foreign Exchange risk and Hedging Activities – The Company is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing (FCB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March, 2019) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (principal and coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved risk management policy. For its FCB, the Company assesses the foreign currency exchange rates, tenure of FCB and its fully hedged costs; and manages its currency risks by entering into derivative contracts as hedge positions in line with the Board approved policy. Being a financial service company, the Company is not exposed to commodity price risk.

j. Dematerialisation of shares and liquidity - As on 31 March, 2026, the total equity capital of the Company was held in dematerialised form with National Securities Depository Limited. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.

k. List of all credit ratings along with any revisions thereto obtained for FY 2025-26 for rated Long term Borrowings and Short-term Borrowings. Kindly refer Para No. 39 of the Directors' Report.

l. Address for correspondence:

Name	Contact Details
Ms. Archana Nadgouda, Company Secretary and Compliance Officer	SMFG India Home Finance Company Limited Corporate Address: Inspire BKC, Unit No. 503 & 504, 5th floor, Main Road, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Email ID: secretarial@grihashakti.com

As the Equity Shares of the Company are not listed on any Stock Exchange, the details related to share transfer system, outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity, commodity price risk are not applicable to the Company.

The Company is a Housing Finance Company, thereby the Company operates from various offices in India and does not have any manufacturing plant.

Other Disclosures

a. There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

b. During the past 3 (three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory/regulatory authority, on any matter related to capital markets.

c. The Company has formulated a Vigil Mechanism / Whistle-Blower Policy. The details of establishment of Whistle Blower policy / vigil mechanism are furnished in the Directors' Report forming part of the Annual Report. No personnel of the Company have been denied access to the Audit Committee to lodge their grievances. The said Policy has been uploaded on the website of the Company at: https://www.grihashakti.com/images/CG/Whistle-Blower-policy.pdf

d. The Company was identified as a High Value Debt Listed Entity ("HVDLE") with effect from 7 September, 2021. Accordingly, it was required to comply with the corporate governance provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR 2015") on a "comply or explain" basis until 31 March, 2025, and thereafter on a mandatory basis, pursuant to the SEBI (LODR) (Amendment) Regulations, 2024 dated 17 May, 2024. The Company had duly complied with the applicable corporate governance norms prescribed under the SEBI LODR 2015. However, the Company ceased to be classified as an HVDLE with effect from 22 January, 2026, pursuant to the SEBI (LODR) (Amendment) Regulations, 2026 due to revision in the limits of classification as an HVDLE. The Company during FY 25-26 was in compliance with Regulations 15 to 27 read with Chapter VA of the SEBI LODR 2015. The Company has obtained a certificate (Unique Code: P1996WB042300) from Vinod Kothari & Company, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI LODR 2015. This certificate is annexed to this Report as **Annexure B**.

e. The Company has complied with the discretionary requirements as specified under Part E of Schedule II of Regulation 62Q(1) of the SEBI LODR 2015, detailed as under: -

i. The Company has a Woman Independent Director on its Board.

ii. The Financial statements for the year ended 31 March, 2026 are with unmodified audit opinion.

iii. The Company has separate persons occupying the position of Chairperson and its Managing Director and Chief Executive Officer. The Chairperson is a Non-Executive, Independent Director and not related to the MD/CEO.

iv. The Head of Internal Audit ('HIA') directly reports to the Audit Committee.

v. The Independent Directors meet atleast once in a financial year without the presence of Non-Independent Directors.

vi. The Company has a Risk Oversight Committee constituted in accordance with Regulation 62I of SEBI LODR 2015.

f. Since at present, the Company does not have any subsidiary, Policy for determining material subsidiary has not been formulated.

g. The Policy for Related Party Transactions has been uploaded on the website of the Company at https://www.grihashakti.com/images/CG/SMHFC_Related-Party-Transaction-Policy.pdf

h. Disclosure of Commodity price risk and commodity hedging activities - Being a Housing Finance Company, the Company is not exposed to commodity price risk.

i. During the year under review, the Company has not raised/ utilised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR 2015.

j. The Company has received a certificate dated 4 May, 2026 from M/s. Vinod Kothari and Company, Practicing Company Secretaries (Unique Code: P1996WB042300) that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by Securities and Exchange Board of India or Ministry of Corporate Affairs or any other statutory/regulatory authority, is enclosed to this Report as **Annexure A**.

k. The Board has accepted all the recommendations made by the Committees of the Board, during the FY 2025-26.

The details of the fees paid to Statutory Auditors of the Company during the financial year ended 31 March, 2026, is as under:

Professional fees payable to auditors	Audit fee (₹ lakhs)
Statutory Audit fee	20
Limited Review	8
Tax Audit fee	5
Other services	29
Total	**62**

l. Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31 March, 2026:

No. of complaints filed during the financial year 2025-2026	1
No. of complaints disposed of during the financial year 2025-2026	0
No. of complaints pending as on end of the financial year 2025-2026	1

m. The Company has not taken or given any loans and advances to firms/ companies/ body corporates in which directors are interested or deemed to be interested.

n. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of Section I of Schedule V to the SEBI LODR 2015 to the extent applicable.

o. The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 read with Chapter VA and Regulation 62 of the SEBI LODR 2015 to the extent applicable.

p. There were no penalty/stricture imposed by RBI/NHB or any other statutory authority during the year under review. Further, there were no defaults observed in compliance with the requirements of the Act, including with respect to compliance with accounting and secretarial standards.

During the period under review, the Company had received a notice from the National Stock Exchange (NSE) imposing a fine of ₹ 1,000/- for delay in intimation of redemption of commercial paper; the said penalty was subsequently waived by NSE.

Compliance with Code of Conduct

I confirm that for the Financial Year 2025-26, SMFG India Home Finance Company Limited has received from its Board of Directors and senior management, a declaration of compliance with the code of conducts as applicable to them.

Date: 11 May, 2026
Place: Mumbai

Deepak Patkar
Managing Director and CEO
DIN: 09731775

Certificate of Corporate Governance

The Company has obtained a certificate dated 4 May, 2026 from, M/s. Vinod Kothari and Company, Practicing Company Secretaries (Unique Code: P1996WB042300) confirming compliances with the conditions of Corporate Governance as stipulated in the SEBI LODR 2015, is enclosed to this Report as **Annexure B**.

Annexure A to the Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper]

To,
The Members of
SMFG India Home Finance Company Limited,
Commerzone IT Park, Tower B,
1st Floor, No 111, Mount Poonamallee Road,
Porur, Chennai, Tamil Nadu, India - 600 116

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **SMFG India Home Finance Company Limited (hereinafter referred to as 'the Company')** having CIN U65922TN2010PLC076972 and having registered office at Commerzone IT Park, Tower B, 1st Floor, No - 111, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, India, 600 116, produced before us by the Company for the purpose of issuing this Certificate, in accordance with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper as applicable to the Company being an HVDLE.

The Company ceased to be an HVDLE with effect from January 22, 2026, pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2026 ('LODR Amendment 2026').

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31 March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or by the Reserve Bank of India or by Insurance Regulatory and Development Authority.

Sl. No.	Name of the Director as on 31 March, 2026	DIN	Category of Directorship as on 31 March, 2026	Date of Appointment
1.	Mr. Colathur Narayanan Ram	00211906	Chairperson, Independent Director	20 August, 2024
2.	Ms. Dakshita Das	07662681	Independent Director	20 January, 2023
3.	Mr. Diwakar Gupta	01274552	Independent Director	09 January, 2026
4.	Mr. Surya Prakash Rao Pendyala	02888802	Non-Executive, Non-Independent Director	11 September, 2025
5.	Mr. Ravi Narayanan	08528459	Non-Executive, Non-Independent Director	09 January, 2026
6.	Mr. Deepak Patkar	09731775	Managing Director & CEO	2 February, 2023

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

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559H000275846
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 04 May, 2026

Annexure B to the Directors' Report

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
SMFG India Home Finance Company Limited

We have examined the compliance of Corporate Governance by **SMFG India Home Finance Company Limited ("the Company")** for the financial year ending on 31 March, 2026, as stipulated in Regulations 62B to 62Q of Chapter VA of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") basis examination of documents provided in **Annexure I**. The provisions of Chapter VA were applicable to the Company till 21 January, 2026, as the Company ceased to be an HVDLE with effect from 22 January, 2026, pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2026 ('LODR Amendment 2026').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559H000275835
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 04 May, 2026

Annexure I

LIST OF DOCUMENTS

1. Minutes of the meetings of the following:
   - Board of Directors;
   - Audit Committee;
   - Nomination and Remuneration Committee;
   - Risk Oversight Committee;
   - Stakeholders Relationship Committee;
   - Annual General Meeting and Extra-Ordinary General Meeting;
2. Notice of Board and Committee Meetings and General Meetings;
3. Resolutions passed by Circulation;
4. Code and Policies as available on the website;
5. Annual disclosures received from Directors pursuant to Section 184(1) of the Companies Act, 2013;
6. Declaration by Independent Directors;
7. Omnibus approval granted in Audit Committee Meeting for FY 2025-26;
8. Details of remuneration paid to Directors;
9. Terms of reference of the Committees of the Board;
10. Draft Corporate Governance Report for FY 2025 -26
11. Details of other directorships as reflecting in Director's Master Data on MCA and stock exchange filings for corporate governance.

Annexure III to the Directors' Report

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

To,
The Shareholders and the Board of Directors
SMFG India Home Finance Company Limited

We, Deepak Patkar, Managing Director & CEO and Ashish Chaudhary, Chief Financial Officer, of SMFG India Home Finance Company Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statements for the year ended 31 March, 2026 (hereinafter referred to as the year) and:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's internal policies

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

d. We have indicated to the Auditors and the Audit Committee;
   i. Significant changes in internal control if any, over financial reporting during the year; and
   ii. Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements.
   iii. There had been 10 instances of fraud reported by the Company to Auditor, Audit Committee and the Board. The Company has taken appropriate action against the same.

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Ashish Chaudhary
Chief Financial Officer

Date: 11 May, 2026
Place: Mumbai

Annexure IV to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2026

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

To,

The Members,

SMFG India Home Finance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMFG India Home Finance Company** [hereinafter called **'the Company'**] for the year ended on 31 March, 2026 ["**audit period**"]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2026, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactments thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
5. **The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable;**

a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

d. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;

6. **Specific Laws applicable as mentioned hereunder:**

a. National Housing Bank Act, 1987 along with relevant notification, circulars and guidelines as applicable;

b. NHB Master Circular - Returns to be submitted by Housing Finance Companies;

c. Reserve Bank of India Act, 1934 along with relevant notification, circulars and guidelines as applicable;

d. Master Direction on Fraud Risk Management in NBFC (including HFC);

e. RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices;

f. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

g. Compliance Function and Role of Chief Compliance Officer (CCO) - NBFC

h. Guidelines on Risk-Based Internal Audit (RBIA) System for Select NBFCs and UCBs dated 03 February, 2021;

i. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs);

j. Following directions and circulars applicable to the Company **up to 28 November, 2025:**

   i. RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;

   ii. RBI Master Direction – Know Your Customer (KYC) Direction, 2016;

   iii. Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021;

k. Following directions and circulars applicable to the Company with effect from **28 November, 2025:**

   i. Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025;

   ii. Reserve Bank of India (Housing Finance Companies) Directions, 2025

   iii. Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025

   iv. Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

   v. Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025

vi. Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025

vii. Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025

viii. Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025

ix. Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025

x. Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

xi. Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025

xii. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025

xiii. Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025

xiv. Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

xv. Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025

xvi. Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025

xvii. Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025

l. Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 (as amended from time to time) w.r.t. issue of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India) read with Chapter XVII of SEBI Master Circular no. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated 15 October, 2025 as updated from time to time;

m. Laws specifically applicable to a Corporate Agent, as identified by the management, that is to say:

i. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 and circulars issued thereunder.

We have also examined compliance with the applicable clauses of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

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

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there were no instances of dissent in the Board and Committee meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during period under review, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Issue of Non-Convertible Debentures (NCDs):

During the audit period, the Company issued and allotted secured debentures amounting to ₹ 1,038 crore and subordinated debt amounting to ₹ 50 crore.

ii. Redemption of NCDs:

During the audit period, the Company redeemed secured debentures amounting to ₹ 411.7 crore pursuant to maturity.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Firm Registration No.: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559H000275802
Peer Review Certificate No. 4123/2023

Place: Mumbai
Date: 04 May, 2026

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)

To,
The Members,
SMFG India Home Finance Company Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;

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

3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.

5. We have not verified the correctness and appropriateness of financial records and books of account of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.

7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/ to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.

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

Annexure II

LIST OF DOCUMENTS

1. Minutes of the meetings of the following:
    - Board of Directors;
    - Audit Committee;
    - Nomination and Remuneration Committee;
    - Corporate Social Responsibility Committee;
    - Risk Oversight Committee;
    - Asset Liability Management Committee;
    - IT Strategy Committee;
    - Stakeholders Relationship Committee;
    - Annual General Meeting and Extraordinary General Meetings.
2. Resolution passed by circulation on a sample basis;
3. Notice for Board and Committee Meetings on a sample basis;
4. List of related parties maintained till date;
5. Statutory Registers under Act, 2013;
6. Disclosures under Act, 2013 and Rules made thereunder;
7. Intimations/ Information submitted to Stock Exchanges, Debenture Trustees, RBI, IRDAI and Credit Rating Agencies;
8. Forms and returns filed with the ROC, NHB;
9. Codes and Policies framed under applicable SEBI Regulations and disclosures/ details obtained/ furnished thereunder.
10. Annual report FY 2024-25 and quarterly financials submitted during the period under review.

Annexure V to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2025-26

1. A brief outline of the Company's CSR Policy:

Corporate Social Responsibility (CSR) Policy of SMFG India Home Finance Company Limited.

i. Introduction

SMFG India Home Finance Company Limited ('SMHFC'/the 'Company')) is a wholly owned subsidiary of SMFG India Credit Company Limited ('SMICC') and offers loans to salaried and self-employed individuals and organisations. With the motto of **Nayi Asha Naya Vishwas**, SMHFC has always believed in putting its customers and their dreams first.

Like its parent company SMICC, SMHFC is also committed to grow in a socially responsible manner, with financial inclusion as its guiding business vision and aims to reach out to the under-banked and unbanked by not just providing them with financial services but also by enabling the communities with services and skills that would help improve their standard and quality of living.

Thus, SMHFC's Corporate Social Responsibility ('CSR') initiative aims at having a long-term sustainable impact on the community. The CSR initiatives shall, however, not directly relate to (i) the business of the Company and (ii) welfare of its employees and their families and are independent of the normal conduct.

ii. CSR Vision

SMHFC's CSR Vision is to enable sustainable development and inclusive growth across communities through innovative socio-economic interventions, in fulfilment of its role as a socially responsible corporate citizen.

iii. CSR Objectives

SMHFC's CSR Initiative focuses on the three keys aspects of the community's development- Social, Economic and Education. To achieve long-term sustainable impact on the community, SMHFC's CSR objectives are:

- **Improve the social well-being** of the community through
  - Health awareness and intervention programmes for community
  - Women-focused health interventions through awareness and implementation of programmes enabling adoption of best health practices
- **Advance livelihoods** through
  - Identification of technical expertise for guidance and facilitation of programmes
  - Income enhancement through skill development & market linkages
- **Promotion of Education** through
  - Access to quality education for underprivileged children
  - Financial Literacy to unbanked and under banked communities
- **Adoption of sustainable environmental practices** through
  - Promotion and adoption of environmentally sustainable practices.

iv. Scope

The CSR Policy (the 'Policy') shall be applicable to all CSR initiatives and activities undertaken by SMHFC and all its employees for the welfare and sustainable development benefit of different segments of the society.

This Policy is in line with the Section 135 of the Companies Act, 2013 (the 'Act') and the rules made thereunder. If the relevant provisions of the Act are amended, this Policy should be construed to have adopted such amendment from the effective date of such amendment.

The scope of the Policy has been kept as wide as possible, to allow SMHFC to respond to different situations and challenges appropriately and flexibly, subject to the activities or subjects enumerated in Schedule VII of the Act.

2. The Composition of the CSR Committee as on 31 March, 2026:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year[1]	Number of meetings of CSR Committee entitled to attend during the year[1]	Number of meetings of CSR Committee attended during the year
1.	Ms. Dakshita Das[3]	Chairperson, Non-Executive, Independent Director	2	2	2
2.	Mr. Colathur Narayanan Ram[2]	Member, Non-Executive, Independent Director	2	2	2
3.	Mr. Surya Prakash Rao Pendyala[3]	Member, Non-Executive, Non-Independent Director	2	1	1
4.	Mr. Ravi Narayanan[3]	Member, Non-Executive, Non-Independent Director	2	1	1
5.	Mr. Deepak Patkar[4]	Member, Managing Director and CEO	2	1	0
6.	Mr. Shantanu Mitra[5]	Chairperson, Non-Executive, Non-Independent Director	2	0	0

Notes:

1. *Two meetings of the CSR Committee was held during the year on 7 August, 2025 and 25 March, 2026.*
2. *Mr. Colathur Narayanan Ram, Non-Executive, Independent Director was inducted as Chairperson of the CSR Committee w.e.f. 13 June, 2025 and ceased to be Chairperson of the CSR Committee w.e.f. 29 January, 2026. However, he continues to be a member of the CSR Committee.*
3. *Mr. Surya Prakash Rao Pendyala, Non-Executive, Non-Independent Director, Mr. Ravi Narayanan, Non-Executive, Non-Independent Director were inducted as a Member of the CSR Committee w.e.f. 29 January, 2026 and Ms. Dakshita Das (existing Member) was appointed as a Chairperson of the CSR Committee w.e.f. 29 January, 2026.*
4. *Mr. Deepak Patkar, Managing Director & CEO ceased to be a Member w.e.f. 29 January, 2026.*
5. *Mr. Shantanu Mitra, Non-Executive, Non-Independent Director, ceased to be a Chairperson and Member of CSR Committee w.e.f. 13 June, 2025.*

3. Provide the web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

CSR Committee Composition: SMHFC-CSR-Committee-Composition.pdf

CSR Policy: SMHFC CSR Policy

CSR projects: SMHFC-CSR-Annual-Action-Plan-FY26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 and amount required for set off for the financial year, if any:

Nil

6.

a. Average net profit of the Company as per sub-section (5) of Section 135: ₹1,10,22,86,565/-

b. Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹2,20,45,731/- (2% of ₹ 1,10,22,86,565/-)

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

d. Amount required to be set off for the financial year, if any: Nil

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 2,20,45,731/-

7. a. Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):

- Details of CSR amount spent against on-going projects for the financial year: Nil
- Details of CSR amount spent against other than on-going projects for the financial year: ₹2,11,00,000/-

b. Amount spent in Administrative Overheads: ₹ 10,00,000/-

c. Amount spent on Impact Assessment, if applicable: Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 2,21,00,000/-

e. CSR amount spent or unspent for the Financial Year: ₹ 2,21,00,000/-

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,21,00,000	Not Applicable		Not Applicable		

f. Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,20,45,731
(ii)	Total amount spent for the financial year	2,21,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	54,269
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	54,269

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any			Amount remaining to be spent in succeeding financial year (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
Not Applicable									

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes ☐ No ☑

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

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Dakshita Das
Chairperson - CSR Committee
DIN: 07662681

Financial Statements

This section discusses the following topics:

Independent Auditors' Report

To
The Members of
SMFG India Home Finance Co. Ltd.

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **SMFG India Home Finance Co. Ltd.** ('the Company'), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended, ('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 31 March 2026, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company**	
	Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs, which are as under: ▸ Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	Our key audit procedures included: ▸ Review of Board approved policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default" by the borrowers and procedures in relation to stages and ECL computation. ▸ Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information.

Independent Auditor's Report (Contd.)

S. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	‣ Model estimations – Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgemental aspect of the Company's modelling approach. ‣ Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. ‣ The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole.	‣ Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stagewise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. ‣ Testing and review of controls over measurement of provisions and disclosures in the Financial Statements. ‣ Understanding of models and general economic indicator criteria used for regression testing over data of the loan book. **Substantive verification** ‣ Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. ‣ Model calculations testing through selective re-performance, wherever possible. ‣ Assessing disclosures – Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.
2	**Information Technology**	
	IT systems and controls The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, we obtained an understanding of the Company's business and IT environment and key changes if any during the audit period that may be relevant to the audit. We performed a range of audit procedures, which included: ‣ Deployed our internal experts to carry out IT general controls testing and identifying gaps, if any ‣ Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) ‣ Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission and were considered as key internal controls over financial reporting ‣ Tested the Company's periodic review of access rights and also tested requests of changes to systems for approval and authorization.

Independent Auditor's Report (Contd.)

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, We are required to communicate the matter to those charged with governance and take necessary actions as required under SA 720 'The Auditor's resposibilities Relating to Other Information.

Responsibilities of Management and Those Charged with Governance for the 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 Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

Independent Auditor's Report (Contd.)

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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

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

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

   g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under 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 Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its Financial Statements – Refer Note 40 to the Financial Statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4 to the financial statements;

      iii. There were no amount which required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. a) The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or

Independent Auditor's Report (Contd.)

kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

c) Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para iv) a) and iv) b) above contain any material misstatement.

v. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.

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

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

Vikram Prahlad Kumtakar
Partner
Membership No.: 104656
UDIN: 26104656YOTBZX8828

Place: Mumbai
Date: 11 May 2026

Annexure A to the Independent Auditors' Report

on the Financial Statements of SMFG India Home Finance Co. Ltd. for the year ended 31 March 2026

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE'). The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified once in a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, PPE were physically verified by the Management during the year. As informed to us, based on last verification of PPE conducted by the management, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right-of-Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company does not have any inventory since its principal business is to give loans, hence physical verification of inventory and accordingly reporting under clause 2(ii)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. The return for quarter ended 31 March 2026, has been filed based on the provisional financial statement.

iii. (a) Since the Company's principal business is to give loans, accordingly reporting under clause 3(iii)(a) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.

(c) & (d) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 1(C).2 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at March 31, 2026, aggregating 30,012 lakhs were categorized as credit impaired ('Stage 3') and 28,552 lakhs were categorized as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note no. 48 to the financial statements. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on March 31, 2026 is as under:

(₹ in lakhs)

No. of cases	Principal amount overdue*	Interest overdue*	Total overdue	Remarks (if any)
1,518	23,686	1,791	25,477	None

**represents total outstanding as at 31 March 2026*

Reasonable steps have been taken by the Company for recovery of the principal and interest wherever applicable.

(e) Since the Company's principal business is to give loans, accordingly reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and the information and explanations made available to us, the Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under clause 3(ii)(f) of the Order is not applicable to the Company.

Annexure A to the Independent Auditor's Report (Contd.)

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; as informed, the other provisions of section 186 of the Act are not applicable to the Company

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and other material statutory dues applicable to it, have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and other material statutory dues as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and any other material statutory dues, which have not been deposited to/with the appropriate authorities.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary parking of funds for few days pending utilizations towards purpose for which the same are obtained.

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

(e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting under clause (ix) (e) & (f) of the Order are not applicable to the Company.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based upon the audit procedures performed and according to the information and explanations given by the management, there were no instances of material fraud on the Company. We did not come across any instances of fraud by the Company.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaint received by the Company during the year and provided to us, when performing our audit.

Annexure A to the Independent Auditor's Report (Contd.)

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date of Auditors' Report for determining the nature, timing and extent of audit procedures

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company, being a Housing Finance Company is registered with the National Housing Bank ('NHB') and hence, as informed by the management, it is not required under to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining 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 Reserve Bank of India.

(d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

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

xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in Note 44 to the Financial Statements.

xxi. According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence reporting under clause 3(xxi) of the Order is not applicable to the Company.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W

Vikram Prahlad Kumtakar
Partner
Membership No.: 104656
UDIN: 26104656YOTBZX8828

Place: Mumbai
Date: 11 May 2026

Annexure B to the Independent Auditors' Report

on the Financial Statements of SMFG India Home Finance Co. Ltd. for the year ended 31 March 2026

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT').

Opinion

We have audited the internal financial controls with reference to the Financial Statements of **SMFG India Home Finance Co. Ltd.** as at 31 March 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA '), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Annexure B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W

Vikram Prahlad Kumtakar
Partner
Membership No.:104656
UDIN: 26104656YOTBZX8828

Place: Mumbai
Date: 11 May 2026

Balance Sheet

as at 31 March, 2026

(₹ lakhs)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Financial assets			
Cash and cash equivalents	2	47,672	59,896
Bank balances other than cash and cash equivalents	3	5,805	800
Derivative financial instruments	4	8,562	117
Investments	5	19,578	41,041
Trade receivables	6	163	174
Loans and advances	7	1,089,810	984,066
Other financial assets	8	18,115	16,851
		1,189,705	**1,102,945**
Non-financial assets			
Current tax assets (net)	9	562	-
Deferred tax asset (net)	10	3,580	3,624
Other non-financial assets	11	3,502	3,288
Property, plant and equipment	12	2,213	2,639
Right of use assets	13	4,558	6,281
Intangible assets	14	719	770
Intangible assets under development	14	27	-
		15,161	**16,602**
Total Assets		**1,204,866**	**1,119,547**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	4	-	1,261
Payables	15		
a) Trade Payables			
i) total outstanding dues to micro enterprises and small enterprises		114	36
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		2,581	3,404
b) Other payables			
i) total outstanding dues to micro enterprises and small enterprises		76	79
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		4,879	1,256
Debt Securities	16	302,415	238,153
Subordinated liabilities	17	30,533	25,357
Borrowings	18	671,004	663,237
Other financial liabilities	19	20,007	26,344
		1,031,609	**959,127**
Non-financial liabilities			
Current tax liabilities (net)	20	-	12
Provisions	21	2,148	1,310
Other non-financial liabilities	22	2,103	3,311
		4,251	**4,633**
Equity			
Equity share capital	23	37,116	37,116
Other equity	24	131,890	118,671
		169,006	**155,787**
Total liabilities and equity		**1,204,866**	**1,119,547**
Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements	1-55		

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Vikram Prahlad Kumtakar
Partner
Member Reg No : 104656

Place: Mumbai
Date: 11 May, 2026

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

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

(₹ lakhs)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from operations			
Interest income	25	138,613	115,201
Fees and commission income	26	4,884	4,514
Gain on derecognition of financial instruments held at amortized cost	27.1	7,709	10,466
Net gain on financial asset at FVTPL	27.2	826	400
Total revenue from operations		**152,032**	**130,581**
Other income	28	119	130
Total Income		**152,151**	**130,711**
Finance costs	29	79,654	68,731
Impairment on financial instruments	30	9,114	3,454
Employee benefits expense	31	26,949	26,681
Depreciation and amortisation	12, 14 & 42	2,459	2,500
Other expenses	32	16,723	13,237
Total expenses		**134,899**	**114,603**
Profit/(Loss) before tax and Exceptional Items		**17,252**	**16,108**
Exceptional items		**(308)**	**-**
Profit/(Loss) before tax		**16,944**	**16,108**
Tax expense			
Current tax	33(a)	4,577	3,232
Deferred tax expense / (credit)		(202)	924
Income tax for earlier years		(31)	-
		4,344	**4,156**
Net (loss)/profit after tax		**12,600**	**11,952**
Other comprehensive income / (loss)	33(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans		(152)	(56)
Income tax relating to above		38	14
Items that will be reclassified to profit or loss			
Gain / (loss) on Derivatives designated at Cash flow hedge		979	(177)
Tax relating to above		(246)	45
Other comprehensive income/(loss)		**619**	**(174)**
Total comprehensive income/(loss) for the year		**13,219**	**11,778**
Earnings per equity share:	34		
Basic earnings per share (in ₹)		3.39	3.43
Diluted earnings per share (in ₹)		3.39	3.43
Face value per share (in ₹)		10.00	10.00
Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements	1-55		

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Vikram Prahlad Kumtakar
Partner
Member Reg No : 104656

Place: Mumbai
Date: 11 May, 2026

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

Statement of Cash Flow

for the year ended 31 March, 2026

(₹ lakhs)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**16,944**	**16,108**
	Adjustments for :		
	Financial asset measured at amortised cost	(2,495)	(2,767)
	Financial liabilities measured at amortised cost	3,986	4,043
	Depreciation and amortisation	2,459	2,500
	Interest income on fixed deposits and investments	(3,468)	(3,396)
	Net (gain)/loss on financial assets at FVTPL	(826)	(400)
	Impairment on financial instruments	9,114	3,454
	Write off of Property, plant & equipment and intangible assets	4	2
	(Gain)/Loss on sale of property, plant and equipment	1	(6)
	Fair valuation of Stock appreciation rights	724	731
	Gain on derecognition of financial instruments held at amortized cost	(7,709)	(10,466)
	Operating profit before working capital changes	**18,734**	**9,803**
	Adjustments for working capital:		
	- (Increase)/decrease in loans and advances	(112,365)	(204,022)
	- (Increase)/ decrease in financial and non-financial assets	(2,157)	4,344
	- Increase/(decrease) in financial and non-financial liabilities and Provisions	(4,005)	(62,902)
	Cash used in operating activities	**(99,793)**	**(252,777)**
	Income tax paid	(4,567)	(3,072)
	Net cash used in operating activities (A)	**(104,360)**	**(255,849)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property plant and equipment and intangibles	(765)	(2,478)
	Proceeds from sale of property, plant and equipment and intangibles	98	303
	Purchase of investments	(564,540)	(511,346)
	Sale/maturity of investments	582,223	513,873
	Fixed deposit placed during the year	(429,510)	(643,834)
	Fixed deposit matured during the year	429,121	626,447
	Interest received on fixed deposits and investments	3,459	3,349
	Net cash generated from/(used in) investing activities (B)	**20,086**	**(13,686)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital (including share premium)	-	45,000
	Proceeds from borrowings from banks and debentures	299,655	443,705
	Repayment of borrowings from banks and debentures	(225,177)	(190,197)
	Payment of ancillary borrowing costs	(818)	(1,155)
	Principal payment of lease liability	(1,610)	(1,593)
	Net cash generated from financing activities (C)	**72,050**	**295,760**
	Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	**(12,224)**	**26,225**
	Cash and cash equivalents as at the beginning of the period (E)	59,896	33,671
	Closing balance of cash and cash equivalents (D+E)	**47,672**	**59,896**
	Components of cash and cash equivalents:		
	Cash on hand	89	85
	Balances with banks		
	- in current accounts	9,735	17,171
	- in fixed deposit with maturity less than 3 months	37,348	41,954
	Cheques, drafts on hand	500	686
	Cash and cash equivalents	**47,672**	**59,896**

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements.

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Vikram Prahlad Kumtakar
Partner
Member Reg No : 104656

Place: Mumbai
Date: 11 May, 2026

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

Statement of Changes in Equity

for the year ended 31 March, 2026

A. Equity share capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of ₹ 10 each fully paid up as at 31 March 2024	326,222,451	32,622
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March 2024	**326,222,451**	**32,622**
Changes during the year ended 31 March 2025	44,940,718	4,494
Equity share of ₹ 10 each fully paid up as at 31 March 2025	**371,163,169**	**37,116**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the 31 March 2025	371,163,169	37,116
Changes during the year ended 31 March 2026	-	-
Equity share of ₹ 10 each fully paid up as at 31 March 2026	**371,163,169**	**37,116**

B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus						Items of OCI		Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 29C(i) of the NHB Act, 1987	Deemed Equity Contribution	Retained Earnings	Re-measurement of gain/loss on defined benefit plans	Effective portion of cash flow hedge	
Closing balance as at 31 March 2024	**-**	**10**	**55,867**	**3,505**	**1,071**	**6,027**	**(94)**	**-**	**66,386**
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	**-**
Restated balance as at 31 March 2024	**-**	**10**	**55,867**	**3,505**	**1,071**	**6,027**	**(94)**	**-**	**66,386**
Securities Premium on shares issued	-	-	40,507	-	-	-	-	-	**40,507**
Transferred from retained earnings to reserve fund	-	-	-	2,390	-	(2,390)	-	-	**-**
Profit / (loss) for the year	-	-	-	-	-	11,952	-	-	**11,952**
Corporate Guarantee issued by SMICC to NHB for Refinance	-	-	-	-	-	-	-	-	**-**
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(42)	(132)	**(174)**
Closing balance as at 31 March 2025	**-**	**10**	**96,374**	**5,895**	**1,071**	**15,589**	**(136)**	**(132)**	**118,671**
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	**-**
Restated balance as at 31 March 2025	**-**	**10**	**96,374**	**5,895**	**1,071**	**15,589**	**(136)**	**(132)**	**118,671**
Securities Premium on shares issued	-	-	-	-	-	-	-	-	**-**
Transferred from retained earnings to reserve fund	-	-	-	2,520	-	(2,520)	-	-	**-**
Profit / (loss) for the year	-	-	-	-	-	12,600	-	-	**12,600**
Corporate Guarantee issued by SMICC to NHB for Refinance	-	-	-	-	-	-	-	-	**-**
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(114)	733	**619**
Closing balance as at 31 March 2026	**-**	**10**	**96,374**	**8,415**	**1,071**	**25,669**	**(250)**	**601**	**131,890**

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements.

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Vikram Prahlad Kumtakar
Partner
Member Reg No : 104656

Place: Mumbai
Date: 11 May, 2026

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

Notes to Financial Statements

for the year ended 31 March, 2026

Summary of material accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2026

1 General Information

(A) Company information

SMFG India Home Finance Co. Ltd. ('the Company'). is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a Housing finance company ('HFC') registered vide Registration number DOR-00122 dated May 19, 2023 with the Reserve Bank of India ('RBI'), erstwhile Registration number 07.0122.15 dated July 14, 2015 with the National Housing Bank ('NHB'). The Registered address of the Company is SMFG India Home Finance Company Limited, Commerzone IT Park, Tower B, 1st Floor, No 111, Mount Poonamallee Road, Porur, Chennai - 600 116. The Company is also registered as a corporate agent with the Insurance Regulatory and Development Authority of India (IRDAI). The Company provides loans to customers for purchase of home, home improvement loans, home construction, home extensions, loans against property, Developer Funding (collectively referred to as "Portfolio Loans").

As at 31 March 2026, SMFG India Credit Co. Limited, the holding Company owned 100% of the Company's equity share capital.

The Company is a Public Limited Company and its debts are listed on the National Stock Exchange (NSE).

(B) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared, on a going concern basis, in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines/master directions issued by the NHB and RBI as applicable to a HFCs and other accounting principles generally accepted in India.

The financial statements were approved for issue by the Company's Board of Directors on 11 May, 2026.

(ii) Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Division III of Schedule III vide their Notification G.S.R. 1022(E) dated 11 October 2018 for Non-Banking Financial Companies in Division III to the Act read with amendment to Schedule III made vide Notification G.S.R. (E) dated 24 March 2021. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 49.

(iii) Functional and presentation currency

Indian rupees is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(iv) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments and certain financial assets and financial liabilities (including derivative financial instruments) measured at fair value through profit and loss statement (FVTPL) (refer section C of Note 1).

(v) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

Assumptions and estimation uncertainties

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2026 is included in the following notes to the policy:

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financials assets;

Notes to Financial Statements

for the year ended 31 March, 2026

Note 1.C.9 – recognition of deferred tax assets;

Note 1.C.11 – estimates of useful lives and the residual value of property, plant and equipment and intangible assets;

Note 1.C.12 – Impairment test of non-financial assets : key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.13 – measurement of defined benefit obligation: key actuarial assumptions and cash-settled – share-based payments;

Note 1.C.14 – recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources, if any.

(vi) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using an appropriate valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgement and estimation in the determination of fair value.

Judgment and estimation are usually required for the selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and selection of appropriate discount rates.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to accounts:

Note 4 - Derivative Financial Instruments

Note 37- Gratuity and Leave encashment

(C) Material Accounting Policy Information

1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income

The Company calculates interest income by using the effective interest rate (EIR) method.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the

Notes to Financial Statements

for the year ended 31 March, 2026

contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

When a financial asset becomes credit-impaired subsequent to initial recognition, the Company calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognized at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognized on realization basis.

Fee income

Loan processing fee/document fees/stamp fees which are an integral part of financial assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through the assignment. Applications fee is recognized at the commencement of the contracts. Additional charges such as penal, dishonour, foreclosure charges, delayed payment charges etc. are recognized on a realization basis, while rate conversion charges are recognized upfront based on event occurrence.

Dividend income

Dividend income is recognized as and when the right to receive dividend is established.

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered is recognized on an accrual basis.

Other income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2 Financial instruments

- **Recognition and initial measurement**

  Financial assets and liabilities are recognsied when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value on a trade date basis. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

- **Classification and subsequent measurement**

  The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Notes to Financial Statements

for the year ended 31 March, 2026

Financial assets (other than equity)

The Company subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss;
- fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using the Effective Interest Rate (EIR) method if it meets both of the following conditions:

- 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.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment – by – investment basis.

The Company subsequently measures all equity investments excluding investment in the subsidiary at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The Company determines business model at level that reflects it business operations & management of portfolio loans & not at instrument level. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

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

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. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount '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 a 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 this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

Notes to Financial Statements
for the year ended 31 March, 2026

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

- ### Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Amortised cost	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Notes to Financial Statements

for the year ended 31 March, 2026

- **De-recognition, modification and transfer**

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Assignment transactions:

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e. retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset. The Service fee received is accounted for based on the terms of the underlying deal structure of the transaction.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards, of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between:

I) the carrying amount (measured at the date of derecognition) and

II) the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms 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 as profit or loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Impairment and write off**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company

Notes to Financial Statements

for the year ended 31 March, 2026

is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

ECL is recognised for financial assets held under amortised cost at FVOCI, debt instruments measured at FVOCI, and certain loan commitments. Equity instruments are not subjected to ECL.

For recognition of impairment loss on financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of a default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the Company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.
- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.
- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 48.

Presentation of allowance for expected credit losses in the Financial Statements

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognized during the period is accounted as income/ expense in the statement of profit and loss.

Notes to Financial Statements

for the year ended 31 March, 2026

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. 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. Any subsequent recoveries are credited to Statement of profit and loss account.

- **Collateral valuation and repossession**

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the board approved credit policy. The Company provides fully secured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the credit policy of the Company.

To mitigate the credit risk on financial assets, the Company seeks to possess collateral, wherever required as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals, the Company liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

3 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk arising on account of repayment of external commercial borrowings and debts. Derivatives held include foreign exchange forward contracts and cross currency interest rate swaps.

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the foreign currency derivatives entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time is transferred to the statement of profit and loss.

4 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original

Notes to Financial Statements

for the year ended 31 March, 2026

maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

5 Leases

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

A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

As a lessee

The Company has various offices, branches and other premises under non-cancellable various lease arrangements to meet its operational business requirements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the Company's incremental borrowing rate. Lease payments as at commencement date are adjusted for any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are measured at their carrying amount at the commencement date and are discounted using the Company's incremental borrowing rate at the date of initial application. Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Leases may include options to extend or terminate the lease which is included in the right-of-use Assets and Lease Liability when they are reasonably certain of exercise.

The lease liability is remeasured when there is a change in one of the following:

- future lease payments arising from a change in the inflation rate,
- the Company's estimate of the amount expected to be payable under a residual value guarantee, or
- the Company's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Company presents right-of-use assets and lease liabilities on the face of the Balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor:

When the lease is deemed a finance lease, the leased asset is not held on the balance sheet; instead a finance lease receivable is recognized representing the lease payments receivable under the terms of the lease, discounted at the rate of interest implicit in the lease.

When the lease is deemed an operating lease, the lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. The Company holds the leased assets on-balance sheet within property, plant and equipment.

6 Borrowing costs

Borrowing cost is calculated using the Effective Interest Rate (EIR) on the amortised cost of the instrument. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

It also includes discounting charges paid for securitisation transactions entered under 'pass-through' arrangement.

7 Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Notes to Financial Statements

for the year ended 31 March, 2026

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

8 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company before the end of the financial year which are unpaid. Trade and other payables are presented as financial liabilities. They are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

9 Income taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that is recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company generate taxable income and does not include any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes to Financial Statements

for the year ended 31 March, 2026

10 Goods and services tax input credit

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

Expenses and assets are recognised net of the goods and services tax/value-added taxes paid, except:

- When the tax incurred on a purchase of assets or receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

11 Property plant and equipment (including Capital Work-in-Progress) and Intangible assets

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Recognition and measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price(after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognized in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on a straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Company (in years)	Useful life as per Schedule II (in years)
Computer Server and Other Accessories*	4	6
Computer Desktop and Laptops*	3	3
Furniture and Fixtures*	5	10
Office Equipment's*	5	5
Handheld devices*	2	5
Vehicles*	4	8

**Useful life of the assets has been assessed based on internal assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.*

Depreciation/Amortization method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortization on addition/disposable is provided on a pro-rata basis i.e from/up to the date on which asset is ready to use /disposed off except assets valued less than INR 5,000. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. All assets costing utpo INR 5,000 are depreciated fully in the year of capitalization.

Leasehold improvements are amortized over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets

Intangible assets are amortized using the straight line method over a period of five years commencing from the date on which such asset is first installed.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Derecognition

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset

Notes to Financial Statements

for the year ended 31 March, 2026

(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

12 Impairment on Non-Financial Assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

The Company reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use. Asset/cash generating unit whose carrying value exceeds their recoverable amount is written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

13 Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined Benefit Plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense /income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/asset, taking into account any changes in the net defined benefit liability /asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

Notes to Financial Statements

for the year ended 31 March, 2026

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Share Based Payment (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 38 for details.

14 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Company operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/ development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Other non-cancellable commitments, if any

15 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the profit per share.

Notes to Financial Statements

for the year ended 31 March, 2026

16 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

17 Dividend on equity shares

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

18 Trade receivables

These amounts represent receivable for goods and services provided by the Company. Trade receivables are presented as financial asset. They are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade receivable is established if the collection of the receivable becomes doubtful.

19 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

20 Financial Guarantees

Financial guarantees given are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss. The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

21 Exceptional Items

An item of income or expenses which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to account.

(D) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at the date of authorisation of these financial statements, the Company has not applied the following new amendment to Ind AS that has been issued but is not yet effective:

Amendment to Ind AS 1 Presentation of Financial Statements

Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e. after the reporting date but before approval of the financial statements) agrees not to demand payment.

The Company does not expect that the adoption of this amendment to have any impact on the financial statements of the Company in future period.

Notes to Financial Statements
for the year ended 31 March, 2026

2 Cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	89	85
Balances with banks		
- in current accounts	9,735	17,171
- in fixed deposit with original maturity less than 3 months	37,348	41,954
Cheques, drafts on hand	500	686
Total	**47,672**	**59,896**

3 Bank balances other than cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
In Deposits accounts- with original maturity of more than 3 months*	5,805	800
Total	**5,805**	**800**

**Includes deposit with bank kept as lien or guarantee as detailed below:*

1) *All secured NCDs issued by the Company are secured by first pari-passu charge on the Company's immovable property at Chennai (Current Year 2026: NIL) and by hypothecation of book debts / loan receivables and by fixed deposit with the banks to the extent of shortfall in asset cover as mentioned in respective information memorandum.*
2) *Deposits amounting to ₹ 7 lakhs (31 March 2025: ₹ 6 lakhs) pertain to lien towards WCDL.*
3) *Deposits amounting to ₹ 762 lakhs (31 March 2025: ₹767 lakh) pertain to loss guarantee provided by the Company under the securitization agreements.*
4) *Deposits amounting to ₹ 1 lakh (31 March 2025: ₹ 1 lakh) pertain to lien towards NACH Migration.*

4 Derivative Financial instruments

(₹ lakhs)

Particulars	As at 31 March 2026			For the year ended 31 March 2026	
	Notional amount	Fair value assets	Fair value liabilities	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
Interest rate derivatives/Cross currency swap					
- Cross Currency Swaps (USD)	87,075	8,562	-	979	-
Total Derivative financial instruments	**87,075**	**8,562**	**-**	**979**	**-**

(₹ lakhs)

Particulars	As at 31 March 2025			For the year ended 31 March 2025	
	Notional amount	Fair value assets	Fair value liabilities	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
Interest rate derivatives/Cross currency swap					
- Cross Currency Swaps (USD)	87,075	117	1,261	(177)	-
Total Derivative financial instruments	**87,075**	**117**	**1,261**	**(177)**	**-**

Notes to Financial Statements

for the year ended 31 March, 2026

Notes:

1. *All financial derivative instruments are held for cashflow hedging as part of risk management strategy, these derivative instruments are designated at Fair value through OCI.*
2. *Hedge ineffectiveness is accounted under finance cost in Statement of profit and loss, if any.*
3. *Qualitative Disclosure:-*

   All hedging activities,if any are carried out by treasury department possessing the appropriate skills, experience and supervision. The Company's activities expose it to the financial risks of changes in foreign exchange rates and Interest rate. The Company uses derivative contracts to hedge its exposure to movements in foreign exchange and Interest rate. The use of these derivative contracts reduce the risk or cost to the Company. The Company's policy is to hedge the exposure by taking derivative instruments and not for trading in derivatives for speculative purposes.

   The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

   a) *Derivative instruments are elected and governed by risk management policy approved by the Board;*

   b) *The Company has fully hedged the risk on account of foreign currency fluctuation and change in interest rate towards external commercial borrowing;*

   c) *Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled and reported in ALCO;*

   d) *The Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;*

   e) *The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.*

5 Investments

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at fair value through profit and loss		
Quoted: T-bills	19,578	41,041
Total	**19,578**	**41,041**
Investments within India	19,578	41,041
Investments Outside India	-	-

6 Trade receivables

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Receivables considered good- Unsecured	163	174
Less: Provision for impairment*	-	-
Total	**163**	**174**

**No receivables which have significant increase in credit risk /credit impaired.*

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(A) Trade Receivables aging schedule as on 31 March 2026

(₹ in lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	163	-	-	-	-	163
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March, 2026

(B) Trade Receivables aging schedule as on 31 March 2025

(₹ in lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	174	-	-	-	-	174
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

7 Loans and advances

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	At Amortised cost	At FVOCI	At Amortised cost	At FVOCI
Portfolio Loan*	1,107,020	-	997,941	-
Gross loans	**1,107,020**	**-**	**997,941**	**-**
Less- Impairment allowance	(17,210)	-	(13,875)	-
Net loans	**1,089,810**	**-**	**984,066**	**-**
(i) Secured by tangible assets	1,107,020	-	997,941	-
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/Government Guarantees**	-	-	-	-
(iv) Unsecured	-	-	-	-
Gross loans	**1,107,020**	**-**	**997,941**	**-**
Less: Impairment loss allowance	(17,210)	-	(13,875)	-
Net loans	**1,089,810**	**-**	**984,066**	**-**
Loans to public sector	-	-	-	-
Loans to Others	1,089,810	-	984,066	-

**Note:*

1) *The Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.*

***Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) scheme provided by Government of India (Year March 26 : 4057 lakhs, Year March 25 : 54 lakhs)*

8 Other financial assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Security Deposits- Considered Good and Unsecured	542	487
Interest Accrued on Investment	313	308
Interest strip asset on assignment	16,929	15,465
Others	331	591
Total	**18,115**	**16,851**

Notes to Financial Statements

for the year ended 31 March, 2026

9 Current tax assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax (net of provision)	562	-
Total	**562**	**-**

10 Deferred tax assets (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax asset arising on account of :		
Disallowance U/s 43B of Income Tax Act, 1961	487	411
Timing difference between book depreciation and Income Tax Act, 1961	221	136
Impairment on financial assets	4,092	3,492
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	202	293
Provision for expenses	604	528
Impact on account of lease liabilities	1,350	1,777
Derivatives designated at Cash Flow Hedge	-	45
MTM on Investments	-	6
Total deferred tax assets (A)	**6,956**	**6,688**
Deferred tax liability arising on account of :		
Impact on account of right-to-use asset	1,102	1,528
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	430	527
Derivatives designated at Cash Flow Hedge	201	-
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	1,643	1,009
Total deferred tax liabilities (B)	**3,376**	**3,064**
Deferred tax assets (net) (A-B)	**3,580**	**3,624**

11 Other non-financial assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Goods and service tax recoverable	375	237
Prepayments	1,535	1,220
Capital advances	4	2
Advances to employees	19	6
Deferred Guarantee Commission	429	661
Others	1,140	1,162
Total	**3,502**	**3,288**

Notes to Financial Statements
for the year ended 31 March, 2026

12 Property, plant and equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Total
Gross block							
Balance as at 31 March 2024	**310**	**1,087**	**1,183**	**669**	**304**	**6**	**3,559**
Additions	129	512	491	378	313	-	**1,823**
Deletions	(35)	(98)	(57)	(60)	(47)	-	**(297)**
Balance as at 31 March 2025	**404**	**1,501**	**1,617**	**987**	**570**	**6**	**5,085**
Additions	189	165	74	169	89	-	**686**
Deletions	(22)	(49)	(134)	(47)	(144)	-	**(396)**
Balance as at 31 March 2026	**571**	**1,617**	**1,557**	**1,109**	**515**	**6**	**5,375**
Accumulated depreciation							
Balance as at 31 March 2024	**178**	**584**	**608**	**351**	**80**	**-**	**1,801**
Depreciation charge	51	233	395	128	104	-	**911**
Deletions	(31)	(96)	(57)	(59)	(23)	-	**(266)**
Balance as at 31 March 2025	**198**	**721**	**946**	**420**	**161**	**-**	**2,446**
Depreciation charge	99	251	358	172	128	-	**1,008**
Deletions	(21)	(40)	(133)	(41)	(57)	-	**(292)**
Balance as at 31 March 2026	**276**	**932**	**1,171**	**551**	**232**	**-**	**3,162**
Net block							
Balance as at 31 March 2025	**206**	**780**	**671**	**567**	**409**	**6**	**2,639**
Balance as at 31 March 2026	**295**	**685**	**386**	**558**	**283**	**6**	**2,213**
Capital Work in Progress (CWIP)							
Balance as at 31 March 2025	-	-	-	-	-	-	**-**
Balance as at 31 March 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**

**Pledged as security against secured non-convertible debenture (Current Year 2026 : NIL)*

Note:

1) As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.
2) The title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company.

13 Right-of-use assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Right of use assets (Refer Note 42)	4,558	6,281
Total	**4,558**	**6,281**

Notes to Financial Statements

for the year ended 31 March, 2026

14 Other Intangible assets

(₹ lakhs)

Particulars	Computer Software
Gross block	
Balance as at 31 March 2024	556
Additions	719
Deletions	-
Balance as at 31 March 2025	**1,275**
Additions	158
Deletions	(79)
Balance as at 31 March 2026	**1,354**
Amortisation	
Balance as at 31 March 2024	341
Amortisation	164
Deletions	-
Balance as at 31 March 2025	**505**
Amortisation	208
Deletions	(78)
Balance as at 31 March 2026	**635**
Net block	
Balance as at 31 March 2025	**770**
Balance as at 31 March 2026	**719**
Intangibles under development	
Balance as at 31 March 2025	-
Balance as at 31 March 2026	27

Ageing of Intangibles under development

(₹ lakhs)

CWIP	As on 31 March 2026					As on 31 March 2025				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	27	-	-	-	27	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**Cost is within the agreed commercial & target timeline.*

Notes to Financial Statements

for the year ended 31 March, 2026

15 Trade payables

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Trade Payables		
Dues to micro enterprises and small enterprises (refer note 43 for dues to Micro, Small and Medium enterprise)	114	36
Dues to creditors other than micro enterprises and small enterprises	2,581	3,404
b) Other Payables		
Dues to micro enterprises and small enterprises (refer note 43 for dues to Micro, Small and Medium enterprise)	76	79
Dues to creditors other than micro enterprises and small enterprises	4,879	1,256
Total	**7,650**	**4,775**

(A) Trade Payable Ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	105	4	-	5	114
(ii) Others	2,324	231	26	-	-	2,581
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

(B) Other Payable Ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	74	2	-	-	76
(ii) Others	4,765	99	10	2	3	4,879
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

(A) Trade Payable Ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	36	-	-	-	36
(ii) Others	2,898	498	2	5	1	3,404
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March, 2026

(B) Other Payable Ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	79	-	-	-	79
(ii) Others	1,178	72	3	3	-	1,256
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

16 Debt Securities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Non-convertible debentures (secured)*	302,415	238,153
Total	**302,415**	**238,153**
Debt securities within India	302,415	238,153
Debt securities Outside India	-	-

**All the non-convertible debentures of the Company outstanding as on 31 March 2026 are secured by hypothecation of book debts/loan receivables and fixed deposits to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.*

The funds raised by the Company during the year by issue of Secured Non-Convertible Debentures were utilised for the purpose intended as mentioned in information memorandum of respective issuance.

17 Subordinated liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Non-convertible debentures (unsecured)*	30,533	25,357
Total	**30,533**	**25,357**
Subordinated liabilities within India	30,533	25,357
Subordinated liabilities Outside India	-	-

**The funds raised by the Company during the year by issue of Subordinated liabilities were utilised for the purpose intended as mentioned in information memorandum of respective issuance.*

18 Borrowings

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Term loans from bank (secured)*	571,824	609,374
External Commercial Borrowings (Secured)	94,882	42,636
Other Loans		
Commercial papers (unsecured)	-	4,950
Borrowing through Pass Through Certificate (PTC) #	4,298	6,277
Total	**671,004**	**663,237**
Borrowings within India	576,122	620,601
Borrowings Outside India	94,882	42,636

#net of PTC investments of ₹ 228 lakhs

Notes to Financial Statements

for the year ended 31 March, 2026

(a) Nature of securities and terms of repayment for borrowings

*Term loan from banks & working capital demand loan are secured by first pari passu charge over all loan receivables.
Term loan from banks includes Refinance from National Housing Bank (NHB) which is secured by first and exclusive charge on the receivable offered as security.

The funds raised by the Company during the year from borrowings were utilised for the purpose intended as mentioned in respective sanction terms.

The ECBs are secured against first pari passu charge over all loan receivables and are hedged through currency swaps & interest rate swaps as per the applicable RBI guidelines.

(b) Net debt reconciliation

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Borrowings	671,004	663,237
Debt securities (including Subordinated liabilities)	332,948	263,510
Less: Cash and cash equivalents	(47,672)	(59,896)
Net Debt	**956,280**	**866,851**

Details of terms of contractual principal redemption/repayment in respect of debt securities and borrowing

(A) Debt securities as on 31 March 2026

(₹ lakhs)

Original maturity of loan	Rate of interest	Due within 1 year	Due 1 to 2 Years*	Due 2 to 3 Years	More than 3 Years	Total
Issued at par and redeemable at par						
1-2 years	07%- 08%	-	4,800	-	-	4,800
2-3 years	07%- 08%	-	20,000	-	-	20,000
	08%- 09%	54,500	20,000	-	-	74,500
3-4 years	07%- 08%	-	-	11,500	-	11,500
More than 4 years	07%- 08%	-	-	-	32,500	32,500
Issued at premium and redeemable at par						
2-3 years	07%- 08%	-	30,000	-	-	30,000
	08%- 09%	35,000	57,500	-	-	92,500
3-4 years	07%- 08%	-	-	25,000	-	25,000
Debt Issued at discount and redeemable at par						
2-3 years	08%- 09%	-	-	-	-	-
Total		**89,500**	**132,300**	**36,500**	**32,500**	**290,800**
Impact of Interest Accrued and Ind AS adjustments						11,615
TOTAL						**302,415**

**includes NCDs having call option. Call option date considered for above bucketing.*

Notes to Financial Statements
for the year ended 31 March, 2026

(B) Subordinated Debt as on 31 March 2026

(₹ lakhs)

Original maturity of loan	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
More than 3 years	07%- 08%	-	-	-	6,500	6,500
	08%- 09%	-	-	-	23,000	23,000
Total		**-**	**-**	**-**	**29,500**	**29,500**
Impact of Interest Accrued and Ind AS adjustments						1,033
TOTAL						**30,533**

(C) Debt securities as on 31 March 2025

(₹ lakhs)

Original maturity of loan	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
Issued at par and redeemable at par						
2-3 years	08%- 09%	30,000	54,500	40,000	-	124,500
3-4 years	08%- 09%	8,670	-	-	-	8,670
More than 4 years	08%- 09%	-	-	-	-	-
	09%- 11%	2,500	-	-	-	2,500
Issued at premium and redeemable at par						-
2-3 years	08%- 09%	-	35,000	57,500	-	92,500
Debt Issued at discount and redeemable at par						-
3-4 years	08%- 09%	-	-	-	-	-
Total		**41,170**	**89,500**	**97,500**	**-**	**228,170**
Impact of Interest Accrued and Ind AS adjustments						9,983
TOTAL						**238,153**

(D) Subordinated Debt as on 31 March 2025

(₹ lakhs)

Original maturity of loan	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
More than 3 years	07%- 08%	-	-	-	6,500	6,500
	08%- 09%	-	-	-	18,000	18,000
Total		**-**	**-**	**-**	**24,500**	**24,500**
Impact of Interest Accrued and Ind AS adjustments						857
TOTAL						**25,357**

Notes to Financial Statements

for the year ended 31 March, 2026

(E) Borrowings as on 31 March 2026

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	07%- 08%	12	714	9	536	-	-	-	-	1,250
Quarterly repayment schedule										
2-3 years	07%- 08%	5	9,250	4	8,000	-	-	-	-	17,250
3-4 years	07%- 08%	12	6,000	12	6,000	5	2,750	-	-	14,750
More than 4 years	04%- 07%	34	11,708	36	11,544	34	10,544	45	9,542	43,338
	07%- 08%	73	32,967	80	36,508	69	33,408	190	80,859	183,742
	08%- 09%	30	8,943	31	8,806	28	7,006	86	21,028	45,784
Half yearly repayment schedule										
1-2 years	07%- 08%	2	3,846	1	1,154	-	-	-	-	5,000
2-3 years	07%- 08%	1	2,167	2	5,333	1	2,000	-	-	9,500
More than 4 years	04%- 07%	-	-	-	-	-	-	2	10,000	10,000
	07%- 08%	18	16,506	14	14,532	9	8,641	17	21,628	61,307
	08%- 09%	31	35,464	35	43,936	32	35,464	68	62,582	177,447
	09%- 11%	1	1,660	-	-	-	-	-	-	1,660
Bullet repayment schedule										
2-3 years	07%- 08%	1	500	-	-	-	-	-	-	500
Total		**220**	**129,725**	**224**	**136,350**	**178**	**99,813**	**408**	**205,639**	**571,527**
Impact of Interest Accrued and Ind AS adjustments										297
TOTAL										**571,824**

Pass Through Certificate as on 31 March 2026

Original maturity of PTC	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	7%	12	663	12	694	12	720	38	2,250	4,327
Impact of Interest Accrued and Ind AS adjustments										(29)
TOTAL										**4,298**

Notes to Financial Statements

for the year ended 31 March, 2026

(F) Borrowings as on 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	08%- 09%	27	2,089	12	714	9	536	-	-	3,339
Quarterly repayment schedule										
2-3 years	08%- 09%	6	9,000	5	9,250	4	8,000	-	-	26,250
	09%- 11%	-	-	-	-	-	-	-	-	-
3-4 years	07%- 08%	3	1,500	-	-	-	-	-	-	1,500
	08%- 09%	12	6,000	12	6,000	12	6,000	5	2,750	20,750
More than 4 years	05%- 07%	12	2,508	16	3,344	16	3,344	56	10,354	19,550
	07%- 08%	21	8,700	22	9,200	20	8,200	23	9,750	35,850
	08%- 09%	73	25,670	95	39,529	95	40,179	324	112,595	217,972
	09%- 11%	4	6,249	-	-	-	-	-	-	6,249
Half yearly repayment schedule										
1-2 years	08%- 09%	1	3,750	-	-	-	-	-	-	3,750
2-3 years	08%- 09%	2	8,750	1	1,250	-	-	-	-	10,000
3-4 years	08%- 09%	2	4,000	-	-	-	-	-	-	4,000
	09%- 11%	3	2,494	-	-	-	-	-	-	2,494
More than 4 years	08%- 09%	48	48,554	43	50,971	39	52,554	95	91,841	243,919
	09%- 11%	3	3,056	3	3,889	2	2,222	-	-	9,167
Bullet repayment schedule										
2-3 years	08%- 09%	-	-	1	4,996	-	-	-	-	4,996
Total		**217**	**132,320**	**210**	**129,143**	**197**	**121,035**	**503**	**227,290**	**609,785**
Impact of Interest Accrued and Ind AS adjustments										(411)
TOTAL										**609,374**

Pass Through Certificate as on 31 March 2025

Original maturity of PTC	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	8%	12	849	12	904	12	960	41	3,599	6,313
Impact of Interest Accrued and Ind AS adjustments										(36)
TOTAL										**6,277**

Notes to Financial Statements
for the year ended 31 March, 2026

Commercial Paper as on 31 March 2025

Original maturity of CP	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
< 1 year	7.6%	1	5,000	-	-	-	-	-	-	5,000
Impact of Discount on Commercial Paper										(50)
TOTAL										**4,950**

(G) External Commercial Borrowings as at 31 March 2026

Original maturity of loan	Fixed Rate of Interest	Floating Rate of Interest	FCY Amt	Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
			₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Bullet repayment schedule										
3-4 years	07%- 08%	SOFR plus spread 1.1%	USD 500	1	47,418	-	-	-	-	47,418
3-4 years	07%- 08%	SOFR plus spread 1.15%	USD 500	1	14,225	2	33,192	-	-	47,418
Total				**2**	**61,643**	**2**	**33,192**	**-**	**-**	**94,835**
Impact of Interest Accrued and Ind AS adjustments										47
TOTAL										**94,882**

(H) External Commercial Borrowings as at 31 March 2025

Original maturity of loan	Fixed Rate of Interest	Floating Rate of Interest	FCY Amt	Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
			₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Bullet repayment schedule										
3-4 years	07%- 08%	SOFR plus spread 1.1%	USD 500	-	-	1	42,738	-	-	42,738
Total				**-**	**-**	**1**	**42,738**	**-**	**-**	**42,738**
Impact of Interest Accrued and Ind AS adjustments										(102)
TOTAL										**42,636**

Notes to Financial Statements

for the year ended 31 March, 2026

(I) Particulars of Secured Redeemable Non-convertible Debentures:

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption/ Call option	As at 31 March 2026 (₹ lakhs)	As at 31 March 2025 (₹ lakhs)
8.10% Series-18	10	2000	May 23, 2025	-	20,000
9.25% Series-9	10	250	August 8, 2025	-	2,500
8.20% Series-19	10	117	November 7, 2025	-	1,170
8.40% Series-21	10	1000	December 26, 2025	-	10,000
8.45% Series-22	1	7500	February 9, 2026	-	7,500
8.35% Series-23	1	35000	May 15, 2026	35,000	35,000
8.15% Series-24	1	12000	September 4, 2026	12,000	12,000
8.35% Series-25	1	42500	January 15, 2027	42,500	42,500
8.25%Series-26	1	20000	May 28, 2027	20,000	20,000
8.07%Series-27	1	20000	September 10, 2027	20,000	20,000
8.07%Series-27 Re-issuance 1	1	37500	September 10, 2027	37,500	37,500
8.16%Series-28	1	20000	October 29, 2027	20,000	20,000
7.40% Series-29	1	25000	May 19, 2028	25,000	-
7.25% Series-30	1	10000	September 4, 2028	10,000	-
7.17% Series-31	1	30000	January 27, 2028	30,000	-
7.30% Series-32 (3% Partly paid)*	1	60000	October 14, 2028 / October 14, 2027	1,800	-
7.71% Series-33	1	32500	November 16, 2035	32,500	-
7.25% Series-34 (10% Partly paid)*	1	30000	January 23, 2029 / January 23, 2028	3,000	-
7.50% Series-36 (3% Partly paid)	1	50000	March 30, 2029	1,500	-
Total				**290,800**	**228,170**
Impact of Interest Accrued and Ind AS adjustments				11,615	9,983
TOTAL				**302,415**	**238,153**

** These NCD series have call option.*

(J) Particulars of Unsecured Non-convertible Debentures:

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March 2026 (₹ lakhs)	As at 31 March 2025 (₹ lakhs)
8.5% Sub-debt-1	10	300	June 7, 2030	3,000	3,000
7.63% Sub-debt-2	10	400	January 1, 2031	4,000	4,000
7.7% Sub-debt-3	100	25	August 12, 2031	2,500	2,500
8.4% Sub-debt-4	100	100	July 22, 2032	10,000	10,000
8.4% Sub-debt-5	100	50	August 12, 2032	5,000	5,000
8.10% Sub-debt-6	1	5000	October 24, 2035	5,000	-
Total				**29,500**	**24,500**

Notes to Financial Statements
for the year ended 31 March, 2026

19 Other financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Employee benefits and other payables	4,401	4,310
Book overdraft	2,053	7,337
Payable towards asset assignment / securitization	5,175	4,706
Lease liabilities	5,367	7,062
Others*	3,011	2,929
Total	**20,007**	**26,344**

**Others includes Payable to Related Party amounting to ₹ 1,598 lakhs (As at 31 March 2025 ₹ 1,453 lakh)*

20 Current tax liabilities (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for income tax (net of advance tax)	-	12
Total	**-**	**12**

21 Provisions

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for compensated absences (Refer Note 37C)	912	606
Provision for defined benefit plans (Refer Note 37B)	82	23
Provision for future litigation (Refer Note 21.1)	1,117	681
Others	36	-
Total	**2,148**	**1,310**

21.1 Provision for future litigation & code on social security

(₹ lakhs)

Particulars	Provision for code on social security		Provision for future litigation	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Opening	-	439	681	674
Addition	-	42	436	7
Reduction	-	(481)	-	-
Closing	**-**	**-**	**1,117**	**681**

22 Other non-financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues	407	568
Prepayments from Borrower	516	622
Others	1,180	2,121
Total	**2,103**	**3,311**

Notes to Financial Statements

for the year ended 31 March, 2026

23 Equity share capital

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised Equity shares Capital	150,000	150,000
1,50,00,00,000 (31 March 2025: 1,50,00,00,000) equity shares of ₹ 10 each		
Issued, subscribed and fully paid up	37,116	37,116
37,11,63,169 (31 March 2025: 37,11,63,169) Equity shares of ₹ 10 each fully paid		

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
Balance at the beginning of the year	371,163,169	37,116	326,222,451	32,622
Add :Shares issued during the year	-	-	44,940,718	4,494
Balance at the end of the year	**371,163,169**	**37,116**	**371,163,169**	**37,116**

(b) Terms/right attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Any Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend, if declared shall be payable in Indian rupees.

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

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
SMFG India Credit Co. Ltd., the holding company and its nominees 37,11,63,169 (31 March 2025: 37,11,63,169) Equity shares of ₹ 10 each fully paid	371,163,169	37,116	371,163,169	37,116

(d) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of holding	Number of shares	% of holding
SMFG India Credit Co. Ltd., the holding company and its nominees	371,163,169	100.0%	371,163,169	100.0%

Notes to Financial Statements

for the year ended 31 March, 2026

(e) Disclosure of Shareholding of Promoters

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of holding	Number of shares	% of holding
SMFG India Credit Co. Ltd., the holding company and its nominees	371,163,169	100.0%	371,163,169	100.0%

(f) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2026.

24 Other equity

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Capital Reserve	10	10
Securities premium	96,374	96,374
Reserve Fund under Section 29C(i) of the NHB Act, 1987	8,415	5,895
Items of other comprehensive income	349	(268)
Deemed Equity Contribution	1,071	1,071
Surplus in the statement of profit and loss	25,671	15,589
Total	**131,890**	**118,671**

(Refer Statement of Change in Equity for the year ended 31st March 2026 for movement in Other Equity)

Nature and purpose of reserves

(i) Capital Reserve

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilised as per the provisions of Companies Act, 2013.

(ii) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Reserve Fund under Section 29C(i) of the NHB Act, 1987

The Company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the National Housing Bank from time to time and every such appropriation shall be reported to the National Housing Bank within 21 days from the date of such withdrawal.

(iv) Retained Earning & Surplus in the statement of profit and loss

Retained earning are profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utiliasation as permitted under applicable law.

Notes to Financial Statements

for the year ended 31 March, 2026

25 Interest Income

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On Financial assets measured at amortised cost		
On Portfolio Loans	135,146	103,969
On Deposits withs banks	2,104	1,308
On Financial assets measured at FVOCI		
On Portfolio Loans	-	7,836
On Financial assets measured at Fair value through Profit and Loss (FVTPL)		
On Investments	1,363	2,088
Total	**138,613**	**115,201**

26 Fees and commission income

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Fees and commission income		
Income from commission services- Insurance	1,151	905
Income from loan related and other commission service	3,733	3,609
Total	**4,884**	**4,514**

Break up of fees and commission income

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Type of services or service		
Fees and Commission Income	4,884	4,514
Total revenue from contract with customers	**4,884**	**4,514**
Geographical markets		
India	4,884	4,514
Outside India	-	-
Total revenue from contract with customers	**4,884**	**4,514**
Services transferred at a point in time	4,884	4,514
Services transferred over time	-	-
Total revenue from contract with customers	**4,884**	**4,514**
Total	**4,884**	**4,514**

27.1 Gain/(Loss) on derecognition of financial instruments

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Gain/(Loss) on derecognition of financial assets		
Financial assets measured at amortised cost	7,709	3,386
Financial assets carried at FVOCI	-	7,080
Total	**7,709**	**10,466**

Notes to Financial Statements
for the year ended 31 March, 2026

27.2 Net gain on financial asset at FVTPL

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On financial instruments designated at fair value through profit or loss		
Realised Gain on Financial instruments	803	423
Unrealised Gain on Financial Instruments	23	(23)
Total	**826**	**400**

28 Other income

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit on derecognition of property plant and equipment (net)	-	6
Interest on Security Deposits	45	25
Miscellaneous income*	74	99
Total	**119**	**130**

**Includes Interest on income tax refund of ₹ 6 lakhs (FY 2025: ₹ 46 lakhs)*

29 Finance costs

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On financial liabilities measured at amortised cost		
Borrowings	53,390	43,634
Debt securities	23,725	22,773
Interest expense on lease rental liabilities	460	446
Commitment fee and bank charges	2,079	1,878
Total	**79,654**	**68,731**

30 Impairment on financial instruments

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Bad debts and Write off (net of recovery)*	5,779	5,307
Expected credit loss on portfolio loans	3,335	(1,853)
Total	**9,114**	**3,454**

**Bad debts and write offs offset by recovery of ₹ 2,468 lakhs (FY 2025: ₹ 4,680 lakhs) including realisation from stressed assets sale of ₹ 2,324 lakhs (FY 2025: 3,023 lakhs).*

31 Employee benefits expense

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, bonus and allowances	23,593	23,288
Share based payment to employee and directors	724	731
Contribution to provident and other funds (refer note 37)	1,288	1,198
Staff welfare and training expenses	1,344	1,464
Total	**26,949**	**26,681**

Notes to Financial Statements

for the year ended 31 March, 2026

The Company had been carrying a cumulative provision of ₹ 481 lakh for Code on Social Security (2020). The code has not been notified and in the absence of communication from the Central Government and unanimous consent from all states, there is significant uncertainty around implementation. Based on its reassessment, unlikely retrospective implementation and expert opinion, the Company has reversed this provision during the FY 2024-2025. For details refer note 21.1

32 Other expenses

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Printing and stationery	321	314
Rent	291	161
Rates and taxes	58	31
Legal charges	1,326	711
Professional charges	4,881	4,063
Courier charges	446	352
Repairs and maintenance		
Office premises	586	434
Others	4	2
Directors' sitting fees	176	103
Travelling expenses	1,287	1,187
Telecommunication expenses	241	236
Payment to auditor (refer details below)	62	52
Electricity charges	308	289
Security charges	188	125
Recruitment expenses	116	103
Fees and subscription	67	41
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (refer note 44)	211	108
Resource sharing expenses	5,098	4,593
Miscellaneous expenses	1,051	330
Write off / Loss of Property, plant & equipment and intangible assets	5	2
Total	**16,723**	**13,237**
Professional fees payable to auditors		
Statutory Audit fee	20	20
Limited review	8	8
Tax Audit fee	5	5
In other capacity		
- Certification matter	27	17
- Reimbursement of expenses	2	2
	62	**52**

Notes to Financial Statements
for the year ended 31 March, 2026

33 Tax expense

(a) Amount recognised in the statement of profit and loss

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax for the year	4,577	3,232
Adjustment of tax relating to earlier periods	(31)	-
Current tax expense (A)	**4,546**	**3,232**
Deferred taxes for the year		
Change in deferred tax assets	(313)	339
Change in deferred tax liabilities	111	585
Net deferred tax expense (B)	**(202)**	**924**
Income tax for earlier years (C)	**-**	**-**
Total income tax expense (A+B+C)	**4,344**	**4,156**

(b) Amount recognised in Other comprehensive income

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on defined benefit obligations	(152)	(56)
Income tax relating to actuarial gain/(loss) on defined benefit obligations	38	14
Derivatives designated at Cash flow hedge	979	(177)
Tax relating to Derivatives designated at Cash flow hedge	(246)	45
Total	**619**	**(174)**

(c) Tax reconciliation (for profit and loss)

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 2025 is, as follows:

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Net profit / (loss) before OCI as per Profit and loss	**16,944**	**16,108**
Income tax @ Statutory Tax Rate of 25.17%	4,265	4,054
Tax effects of:		
Items which are taxed at different rates	-	-
Income tax for earlier years	(31)	-
Net expenses that are not deductible in determining taxable profit	148	116
Tax deductible expenses debited to OCI	(38)	(14)
Income tax expenses reported in PL	**4,344**	**4,156**
Tax Rate Effective	25.64%	25.80%

Notes to Financial Statements
for the year ended 31 March, 2026

(d) Significant components and movement in deferred tax assets and liabilities

(₹ lakhs)

Particulars	As at 31 March 2025	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March 2026
Deferred tax liabilities on account of:					
Impact on account of Right of use assets	1,528	(426)	-	-	1,102
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	527	(97)	-	-	430
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	1,009	634	-	-	1,643
Derivative designated at Cash Flow Hedge	-	-	201		201
Deferred Tax liability (A)	**3,064**	**111**	**201**	**-**	**3,376**
Deferred tax assets on account of:					
Disallowance U/s 43B of Income Tax Act, 1961	411	76	-	-	487
Timing difference between book depreciation and Income Tax Act, 1961	136	85	-	-	221
Impairment on financial assets	3,492	600	-	-	4,092
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	293	(91)	-	-	202
Provision for expenses	528	76	-	-	604
Impact on account of lease liabilities	1,777	(427)	-	-	1,350
Derivative designated at Cash Flow Hedge	45	-	(45)		-
MTM on Investments	6	(6)	-	-	-
Deferred tax asset (B)	**6,688**	**313**	**(45)**	**-**	**6,956**
Net Deferred tax assets (B-A)	**3,624**	**202**	**(246)**	**-**	**3,580**

(₹ lakhs)

Particulars	As at 31 March 2024	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March 2025
Deferred tax liabilities on account of:					
Impact on account of Right of use assets	1,499	29	-		1,528
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	411	116	-		527
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	569	440	-	-	1,009
Deferred Tax liability (A)	**2,479**	**585**	**-**	**-**	**3,064**
Deferred tax assets on account of:					
Disallowance U/s 43B of Income Tax Act, 1961	233	178	-	-	411
Timing difference between book depreciation and Income Tax Act, 1961	134	2	-	-	136
Rent equalisation reserve	-	-	-	-	-
Impairment on financial assets	3,958	(466)	-	-	3,492
Provision for security deposits	-	-	-	-	-
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	275	18	-	-	293
Provision for expenses	705	(177)	-	-	528
Unabsorbed losses as per tax computation	-	-	-	-	-
Remeasurement of Employee benefits through OCI.	-	-	-	-	-
Impact on account of lease liabilities	1,675	102	-	-	1,777
Derivative designated at Cash Flow Hedge	-	-	45		45
MTM on Investments	2	4	-	-	6
Deferred tax asset (B)	**6,982**	**(339)**	**45**	**-**	**6,688**
Net Deferred tax assets (B-A)	**4,503**	**(924)**	**45**	**-**	**3,624**

Notes to Financial Statements

for the year ended 31 March, 2026

Notes :

1. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
2. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

34 Earnings per share

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Net Profit after tax attributable to Equity Holders (₹ lakhs)	12,600	11,952
Weighted Average number of Equity Shares for basic earnings per share	371,163,169	348,273,871
Weighted Average number of Equity Shares for diluted earnings per share	371,163,169	348,273,871
Earnings per Share		
Basic earning per share ₹	3.39	3.43
Diluted earning per share ₹	3.39	3.43
Nominal value of shares ₹	10	10

The Company has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS.

35 Related Party Disclosures

Name of the related party and nature of the related party relationship have been disclosed where control exists or related party is KMP, irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below:

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Sumitomo Mitsui Financial Group
Holding Company	SMFG India Credit Company Limited
Associate of Ultimate Holding Company	Yes Bank Ltd (w.e.f. 18 September, 2025)
Entities having significant influence	None
Key Management Personnel	Mr. Colathur Narayanan Ram- Chairperson, Independent Director (appointed w.e.f. 20 August, 2024)
	Mr. Shantanu Mitra- Non-executive director (till- 13 June, 2025)
	Mr. Deepak Patkar-Managing Director & CEO
	Ms. Dakshita Das-Independent Director
	Mr. Ajay Pareek- Non-executive director (ceased to be Director w.e.f. 19 August, 2024)
	Ms. Sudha Pillai-Independent Director (ceased to be Director w.e.f. 20 August, 2024)
	Mr. Radhakrishnan Menon- Independent director (ceased to be Director w.e.f. 22 December, 2024)
	Mr. Diwakar Gupta- Independent Director (w.e.f 9 January, 2026)
	Mr. Ravi Narayanan- Non-Executive, Non-Independent Director (w.e.f. 9 January, 2026)
	Mr. Surya Prakash Rao Pendyala- Non-Executive, Non-Independent Director (w.e.f. 11 September, 2025)
	Mr. Ashish Chaudhary- Chief Financial Officer
	Ms. Archana Nadgouda- Company Secretary (w.e.f. 22 September, 2025)
	Mr. Parthasarathy Iyengar- Company Secretary (till- 23 June, 2025)
	Mr. Jitendra Maheshwari, Company Secretary (till 7 August, 2024)
	Ms. Akansha Kandoi, Company Secretary (from 8 August, 2024 till 7 November, 2024)

Notes to Financial Statements
for the year ended 31 March, 2026

35.1 Transactions during the period with related parties

(₹ lakhs)

Nature of Transaction	As at 31 March 2026	As at 31 March 2025
Equity investment made by the parent company		
SMFG India Credit Co. Ltd.	-	45,000
Income as per Resource sharing agreement		
SMFG India Credit Co. Ltd.	144	51
Expense as per Resource sharing agreement*		
SMFG India Credit Co. Ltd.	5,350	4,610
Transfer of standard assets through assignment to parent company		
SMFG India Credit Co. Ltd.	-	38,153
Service Fees Income towards Assignment transaction		
SMFG India Credit Co. Ltd. (Refer Note 2)	83	74
Yes Bank Ltd (Refer Note 3)	4	-
Commitment Charges on Committed lines provided by parent Company		
SMFG India Credit Co. Ltd.	-	183

(₹ lakhs)

Remuneration to Company's Key Management Personnel (Refer Note 1, 4 & 5)	For the year ended 31 March 2026	For the year ended 31 March 2025
Salary, bonus and allowances (including short term benefits)		
Mr. Deepak Patkar	943	954
Mr. Ashish Chaudhary	114	98
Ms. Archana Nagdougda	34	-
Ms. Akanksha Kandoi	-	30
Mr. Parthasarathy Iyengar	12	15
Director's sitting fees & Commission		
Ms. Sudha Pillai	-	22
Mr. Radhakrishnan Menon	-	32
Mr. Colathur Narayanan Ram	69	30
Ms. Dakshita Das	60	52
Mr. Surya Prakash Rao	32	-
Mr. Diwakar Gupta	19	-
Total	**1,283**	**1,233**

**Includes GST which is charged to statement of profit and loss*

Note 1: Remuneration to Key Management Personnel as approved by Nomination and Remuneration Committee of the Board ('NRC) from time to time.

Note 2: Transaction is consequential to principal assignment transaction on Arm's length as approved by the Audit Committee in Previous year.

Note 3: The transactions were undertaken prior to Yes Bank Limited becoming a related party of the Company and accordingly audit Committee approval is not applicable.

Transaction in the nature of Current Account & Fixed deposit with Yes Bank are excluded from the definition of related party and accordingly not reported.

Note 4: Director sitting fees is approved by Board. Director commission will be approved by Nomination and Remuneration Committee of the Board ('NRC) at year end.

Note 5 : The managerial remuneration paid by the Company to its Directors during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act vide special resolution passed at its extra ordinary general meeting held on 11th May 2026.

Notes to Financial Statements

for the year ended 31 March, 2026

35.2 Amount Outstanding to / from related parties:

(₹ lakhs)

Balance outstanding as at the period end	As at 31 March 2026	As at 31 March 2025
Equity investment made by the parent company		
SMFG India Credit Company Limited.	133,500	133,500
Director's Commission Payable		
Ms. Sudha Pillai	-	14
Mr. Radhakrishnan Menon	-	25
Mr. Colathur Narayanan Ram	44	22
Ms. Dakshita Das	33	33
Mr Surya Prakash Rao	20	-
Mr Diwakar Gupta	12	-
Employee Benefit Expenses Payable		
Mr. Deepak Patkar	33	44
Mr. Ashish Chaudhary	6	-
Payable towards assignment transaction SMFG India Credit Company Limited	968	1,389
Yes Bank Ltd	45	67
Other Payable (Net)		
SMFG India Credit Company Limited	1,514	1,423

#There are no transaction during the year in nature of borrowings, deposits, advances, investment and placement of deposit with related party or from KMPs or relative of KMPs.

(₹ lakhs)

Balance outstanding as at the period end - off Balance Sheet items	As at 31 March 2026	As at 31 March 2025
Corporate guarantee by the holding Company (SMICC) to National Housing Bank (NHB) for NHB refinance	18,641	23,559

36 Capital Management

Equity share capital and other equity are considered for the purpose of the Company's capital management. The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the National Housing Bank (NHB). The Company endeavours to maintain capital higher than the mandated regulatory norms. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued NHB. Company has complied in full with all its externally imposed capital requirements over the reported period. For details refer "Note no. - 53(i) of additional disclosure required by NHB".

Notes to Financial Statements
for the year ended 31 March, 2026

37 Retirement Benefit Plans

(A) Defined Contribution Plan

The total expense charged to income statement of ₹ 1,138 lakhs (2025: ₹ 1,086 lakhs) represents contributions payable to Employees State Insurance Corporation and provident fund plans by the Company at rates specified in the rules of the plan.

(B) Defined Benefit Obligation

I. Gratuity

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Discount rate and expected rate of return on assets	6.77%	6.54%
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Employee turnover :		
Category 1 – For basic up to ₹ 1.2 lakhs		
Up to 4 years	95.00%	85.00%
5 years and above	1.00%	1.00%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50.00%	50.00%
5 years and above	1.00%	1.00%
Assets information:		
Cash & Cash Equivalents	9	-
Insurance fund	870	518
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	541	454
Interest expense	42	33
Current service cost	139	107
Past service cost	177	-
Liability Transferred In	28	10
Liability Transferred Out	(8)	(12)
Benefit Paid From the Fund / Employer	(64)	(130)
Actuarial (Gains)/Losses on Obligations- Due to Change in Demographic Assumptions	(0)	(27)
Actuarial (Gains)/Losses on Obligations- Due to Change in Financial Assumptions	(51)	52

Notes to Financial Statements
for the year ended 31 March, 2026

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial (Gains)/Losses on Obligations- Due to Experience adjustments	157	54
Present Value of obligation at the end of the year	**961**	**541**
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	518	370
Interest income	33	27
Contributions by the Employer	438	228
Mortality charges and taxes	-	-
Benefit Paid from the Fund	(64)	(130)
Return on Plan Assets, Excluding Interest Income	(46)	23
Fair Value of Plan Assets at the end of the year	**878**	**518**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(961)	(541)
Fair Value of Plan Assets at the end of the Period	878	518
Funded Status (Surplus/ (Deficit))	(82)	(23)
Net (Liability)/Asset Recognized in the Balance Sheet	**(82)**	**(23)**

(₹ lakhs)

Expenses recognised in the Statement of Profit and Loss	As at 31 March 2026	As at 31 March 2025
Current Service Cost	139	107
Past service cost	177	-
Net interest (income)/ expense	9	6
Net gratuity expense recognised	**325**	**113**
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial gain/ loss on post-employment benefit obligation	106	79
Return on Plan Assets, Excluding Interest Income	46	(23)
Total remeasurement cost / (credit) for the year recognised in OCI	**152**	**56**

(₹ lakhs)

Reconciliation of Net asset / (liability) recognised:	As at 31 March 2026	As at 31 March 2025
Opening Net Liability	23	84
Expenses recognised at the end of period	325	113
Amount recognised in other comprehensive income	152	56
Net Liability/(Asset) Transfer In	28	10
Net (Liability)/Asset Transfer Out	(8)	(12)
Employer's Contribution	(438)	(228)
Benefits directly paid by Employer	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**82**	**23**

Notes to Financial Statements
for the year ended 31 March, 2026

Sensitivity Analysis:

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	157	(130)	95	(78)
Future Salary Growth (1% movement)	(129)	152	(77)	92
Rate of Employee Turnover (1% movement)	39	(35)	26	(23)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

Maturity analysis of projected benefit obligation

(₹ lakhs)

Position as at Year end	As at 31 March 2026	As at 31 March 2025
1	20	4
2	9	5
3	12	5
4	11	7
5	17	7
Sum of Years 6 to 10	192	98
Sum of Years 11 and above	2,800	1,632

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

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

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Notes to Financial Statements
for the year ended 31 March, 2026

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

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

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

There is a change in the eligible salary for this benefit or introduction of FTEs (if applicable) due to change in labour codes during this period. Change in liability (if any) due to this scheme change/introduction is recognised as past service cost.

(C) Compensated absences

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Discount rate and expected rate of return on assets	6.77%	6.54%
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Employee turnover :		
Category 1 – For basic up to ₹ 1.2 lakhs		
Up to 4 years	95.00%	85.00%
5 years and above	1.00%	1.00%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50.00%	50.00%
5 years and above	1.00%	1.00%
Funding status	Unfunded	Unfunded
Projected obligation against compensated absences	912	606

Notes to Financial Statements

for the year ended 31 March, 2026

38 Employee stock appreciation rights

The Company has an cash settled share based payments scheme, under which grants were made as per details provided below:

Date of Grant	Grant 11M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B	Grant 15
	01-Apr-21	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24	01-Apr-24	01-Apr-24	01-Apr-25
Value of the Grant	₹ 419 Lakhs	₹ 1,257 Lakhs	₹ 234 Lakhs	₹ 457 Lakhs	₹ 442 Lakhs	₹ 1,200 Lakhs	₹ 300 Lakhs	₹ 410 Lakhs
Performance Condition	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Completion of certain time period	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st September 2024	Tranche I: 33% vesting on 1st September 2024	Tranche I: 50% vesting on 1st September 2024	Tranche I: 50% vesting on 1st September 2026	Tranche I: 50% vesting on 1st September 2027	Tranche I: 50% vesting on 1st September 2027	Tranche I: 50% vesting on 1st September 2027	Tranche I: 50% vesting on 1st September 2028
	Tranche II: 33% vesting on 1st September 2025	Tranche II: 33% vesting on 1st September 2025	Tranche II: 50% vesting on 1st September 2025	Tranche II: 50% vesting on 1st September 2027	Tranche II: 50% vesting on 1st September 2028	Tranche II: 50% vesting on 1st September 2028	Tranche II: 50% vesting on 1st September 2028	Tranche II: 50% vesting on 1st September 2029
	Tranche III: 33% vesting on 1st September 2026	Tranche III: 33% vesting on 1st September 2026						
Vesting period (including performance period)	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months
	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months
	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months						
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting where period is 3 years							
Method of Settlement	Cash Payout as per terms of the scheme							

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 11M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B	Grant 15
As at 31 March 2026	47.90	47.90	14.44	NA	11.26	11.26	11.26	10.75
As at 31 March 2025	47.90	47.90	13.57	11.73	10.58	10.58	10.58	NA
As at 31 March 2024	47.90	47.90	12.82	11.09	NA	NA	NA	NA
As at 31 March 2023	47.90	47.90	11.57	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plan.

Notes to Financial Statements
for the year ended 31 March, 2026

Nature of Arrangement:

The Company has a Cash-settled Share Appreciation Rights (SARs) scheme for certain employees in accordance with Ind AS 102 – Share based payment. Payout under the scheme is linked to the Net Book Value (NBV) of the holding Company over a specified performance period. Since Company only has SARs the exercise price is not applicable.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	As at 31 March 2026	As at 31 March 2025
Options outstanding as at the beginning of the year	23,618,669	10,723,850
Options granted during the year	3,670,000	19,424,707
Options forfeited/cancelled during the year	(3,020,000)	(4,674,738)
Options exercised during the year	(1,230,150)	(1,292,250)
Grants of employee transferred during the year from/(to) holding company	1,150,300	(562,900)
Options Outstanding as at the end of the year	24,188,819	23,618,669
Options vested and exercisable	325,000	-
Expense recognised (₹ in Lakhs)	724	731

The above information is as certified by the valuer and relied upon by the auditors

39 Segment Information

Business Segment

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per Ind AS 108-Operating segments. The Company operates in a single geographical segment i.e. domestic.

Entity wide disclosures

The Company operates in a single business segment i.e. financing, which has similar risks and returns taking into account the organisational structure and the internal reporting systems. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2026 or 31 March 2025. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

40 Contingent Liability and commitments

a) Contingent liabilities

The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long-term contracts. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

Contingent liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Guarantees	25	25
For litigations pending against the Company	3,251	446

b) Capital and other commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2026 is ₹ 380 Lakhs (31 March 2025 is ₹ 429 Lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March 2026 were ₹ 1,37,068 Lakhs (31 March 2025 were ₹ 1,72,924 Lakhs).

Notes to Financial Statements

for the year ended 31 March, 2026

c) Litigation

Litigations constitutes the number of pending litigations filed by customers/vendors/ex-employees/others against the Company for service deficiency/title claims/monetary claims/back wages/reinstatement issues respectively which is in the course of business as usual.

Asides the above the Company in its rightful entitlement initiates Civil or Criminal litigations for recovery of loan and enforcing security interest.

A provision is noted/created where an unfavourable outcome is deemed probable based on review of pending litigations with its legal counsels including loss contingency on account of such litigation and claims, and classification of such contingency as 'low', 'medium' or 'high' with due provisioning thereof. The management believes that the outcome of such matters will not have a material adverse effect on the Company's financial position, its operations and cash flows.

d) Tax contingencies

Various tax-related legal proceedings are pending against the Company at various levels of appeal with the tax authorities. Management to best of its judgement and estimates where a reasonable range of potential outcomes is estimated basis available information accrues liability. Based on judicial precedents in the Company's and other cases and upon consultation with tax counsels, the management believes that it is more likely than not that the Company's tax position will be sustained. Accordingly, provision has been made in the accounts wherever required. Disputed tax issues that are classified as remote are not disclosed as contingent liabilities by the Company.

41 EMI Moratorium and resolution as per RBI Regulatory packages

Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/ DOR.STR.REC.11/21.04.048 / 2021-22 dated 5 May 2021

Type of Borrowers (₹ lakhs)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 31 March 2025** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 30 September 2025**	Of (A) amount written off during the half- year 30 September 2025	Of (A) amount paid by the borrowers during the half year ended 30 September 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 30 September 2025*
Personal Loans	1,637	117	8	319	1,299
Others (including MSMEs)	269	-	-	128	172
Total	**1,906**	**117**	**8**	**447**	**1,471**

Type of Borrowers (₹ lakhs)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 30 September 2025** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 31 March 2026**	Of (A) amount written off during the half- year 31 March 2026	Of (A) amount paid by the borrowers during the half year ended 31 March 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 31 March 2026*
Personal Loans	1,299	25	-	296	1,027
Others (including MSMEs)	172	-	-	14	172
Total	**1,471**	**25**	**-**	**310**	**1,199**

Notes to Financial Statements
for the year ended 31 March, 2026

Type of Borrowers (₹ lakhs)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 31 March 2024** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 30 September 2024**	Of (A) amount written off during the half- year 30 September 2024	Of (A) amount paid by the borrowers during the half year ended 30 September 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 30 September 2024*
Personal Loans	2,232	-	51	373	1,806
Others (including MSMEs)	435	3	19	47	428
Total	**2,667**	**3**	**70**	**420**	**2,234**

Type of Borrowers (₹ lakhs)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 30 September 2024** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 31 March 2025**	Of (A) amount written off during the half- year 31 March 2025	Of (A) amount paid by the borrowers during the half year ended 31 March 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 31 March 2025*
Personal Loans	1,806	67	7	173	1,637
Others (including MSMEs)	428	136	-	32	269
Total	**2,234**	**203**	**7**	**205**	**1,906**

**includes interest capitalised post implementation of one time resolution plan*

***Net of upgradation from NPA to standard*

42 Leases

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU Asset has been included after the line 'Property, Plant and Equipment' and Lease Liability has been included under 'Other Financial Liabilities' in the Balance Sheet.

(i) Amounts recognised in Balance Sheet

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Right-of-use assets (net)	4,558	6,281
b) Lease liabilities		
Current	1,301	1,230
Non-current	4,066	5,832
Total Lease liabilities	**5,367**	**7,062**
c) Additions to the Right-of-use assets	294	1,716

Statement showing carrying value of right of use assets:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
As the beginning of the year	6,281	6,157
Additions	294	1,716
Deductions/Adjustments	775	167
Depreciation	1,242	1,425
As the end of the year	4,558	6,281

Notes to Financial Statements

for the year ended 31 March, 2026

(ii) Amount Recognised in profit & loss

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Depreciation charge for right-of-use assets	1,242	1,425
Interest expenses (included in finance cost)	460	446
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases and leases of low value assets	-	-

(iii) Maturity analysis of undiscounted lease liability

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	1,668	1,776
One to five years	3,991	5,609
More than five years	843	1,483
Total payments	**6,502**	**8,868**

(iv) Cash flows

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The total cash outflow of leases	1,759	1,648

(v) Future Commitments

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Future undiscounted lease payments to which leases is not yet commenced	-	-

(vi) Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities are as follows:

(a) Variable lease payments - This variability will typically arise from either inflation or market-based pricing adjustments. Currently, the Company do not have any lease which have variable lease payment terms based on inflation or market based pricing.

(b) Extension options and termination options - The table above represents Company's best estimate of future cash out flows for leases, including assumptions regarding the exercising of contractual extension and termination options.

(c) Residual value guarantees - The Company has asset retiral obligations and accordingly have recognised them as part of ROU.

(d) The Company does not have any lease arrangements as at reporting date which are not yet commenced to which the Company is committed.

(vii) The Company currently does not have any sale and lease back transactions. The Company does not have any restrictions or covenants imposed by the lessor on its operating leases which restrict its businesses.

Notes to Financial Statements
for the year ended 31 March, 2026

43 Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	190	115
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	45	10
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

44 Corporate Social Responsibility Expenses

The details of amounts spent towards CSR are as under:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
i) Gross amount required to be spent by the Company during the year	220	131
ii) Amount spent during the year	221	108
iii) Shortfall/ (Excess spent after adjusting the shortfall of the earlier year)	-	-
iv) Total of previous years shortfall/(Excess)	-	(26)
v) Reason for shortfall	NA	NA
vi) Nature of CSR activities	Refer Note 1	Refer Note 1
vii) Details of related party transactions	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

Note-1

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	221	134
Amount spent	**221**	**134**

The Company's CSR policy is both community and environment- based. Various programmes are planned in areas as diverse as health, educations, livelihood generations, skill developments and rural development.

45 Resource Sharing Cost

During the year, the holding company leased its premises to its subsidiary, SMFG India Home Finance Company Limited to carry out its operations. The holding company has entered into resource sharing agreement with the subsidiary company, as per which the holding company has agreed to share premises and other resources and thereby to facilitate achieve economies of scale and avoid duplication. The reimbursement of cost is calculated as per arm's length price certified by the independent third party.

During the year the Company has paid ₹ 5,350 lakhs (31 March 2025; ₹ 4,610 lakhs) on account of above mentioned arrangement.

Notes to Financial Statements
for the year ended 31 March, 2026

During the year, the Company has also co-shared the premises to its holding company to carry out its operations. The Company has entered into resource sharing agreement with its holding company. Under the arrangement the Company have leased the premises and other resources to facilitate the business operation. The reimbursement of cost is calculated as per arm's length price certified by the independent third party.

During the year the Company has charged to ₹ 144 lakhs (31 March 2025; ₹ 51 lakhs) on account of above mentioned arrangement.

46 Insurance regulatory and development authority (IRDA)

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
ICICI Prudential Life Insurance Company	581	510
HDFC Life Insurance Company	549	376
ICICI Lombard General Insurance Company	6	11
Star Union Dai-Ichi Life Insurance Co. Ltd	-	-
Tata AIG General Insurance company	15	8

47 There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2026 (31 March 2025: ₹ Nil).

48 Financial risk management

Risk management framework

The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. As part of Risk Management practice, one of focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors of the Company (BOD) along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee (ROC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The ROC controls and manages an inherent risks related to the Company's activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Cash and cash equivalents, bank balances, trade & other receivables, other financial assets	ROC is actively involved in the following: - Guide the development of a robust risk management framework and foster a risk-aware culture - Establish, review, and monitor risk management policies and frameworks ; - Review portfolio performance, product programs, and set overall risk tolerance limits;
Liquidity Risk	Financial liabilities	BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions. Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Company's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for ensuring adherence to the liquidity and asset – liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.
Market Risk-Foreign Exchange	Recognised financial assets and financial liabilities not denominated in functional currency	ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.
Market Risk-Interest Rate / Dividend Coupon	Investments in equity securities, units of mutual funds, bonds, government securities, certificate of deposits and commercial paper and derivative financial instruments	

01 02 03 Financial Statements

Notes to Financial Statements
for the year ended 31 March, 2026

All hedging activities are carried out by the treasury department possessing the appropriate skills, experience and supervision structure. The Company's policy is to hedge the exposure by taking derivative instruments and not to trade in derivatives for speculative purposes. By using derivative financial instruments to hedge exposures to changes in interest rates, the Company also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item.

The above risks are discussed in more detail below:
Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balances, trade & other receivables and other financial assets.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers.

Credit approval

The Board of Directors through Credit Risk Management Policy delegates credit approval authority to the Company's Credit Committee, and Head - Credit Risk in turn can sub-delegate to the credit resources. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

Credit underwriting

The Company's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of the product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels. The Company offers to add on funding to existing borrowers basis credit performance governed through credit approvals and approved policy.

External agencies facilitate in due diligence process such as field investigation agencies in conducting visits to offices and residences, Fraud risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Since the Company provides only retail loans, there is no significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March 2026 was ₹ 3,869 lakhs (31 March 2025: ₹ 3,498 lakhs), before taking into account collateral or other credit enhancements or undisbursed commitments.

About 72% of the Company's Loan outstanding is from Borrowers residing across 7 various states of India.

Notes to Financial Statements

for the year ended 31 March, 2026

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. As part of ICAAP, annual stress test exercise is performed covering the entire portfolio to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions.

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- For 12-month ECLs: Cash shortfalls resulting from default events that are possible in the next 12 months.
- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- The contractual cash flows that are due to the Company if the holder of the loan commitment draws down the loan; and
- The cash flows that the Company expects to receive if the loan is drawn down.

The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets at amortised cost'.

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Loan against property and Housing Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Company follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since its initial recognition, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 30 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 31 days up to 90 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 91 days past due on its contractual payments. As a part of qualitative assessment, of whether the customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as stage 3 for ECL calculations, following are such instances:

Notes to Financial Statements
for the year ended 31 March, 2026

- If the customer has requested restructuring in repayment terms, such restructured, rescheduled or renegotiated accounts
- A stage 3 customer having other loans which are in stage 1 or stage 2
- cases where company suspects fraud and legal proceedings are initiated.

The Company continues to recognize interest income during the moratorium period. As per assessment done by the Company and in the absence of other customer related credit risk indicators, the granting of moratorium period does not result in automatically triggering of significant increase in credit risk criteria of Ind AS 109.

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments are subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 30 days past due. The Company also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heighted risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences. Significant increase in Credit risk has also been recognised for borrowers to whom One Time Restructuring has been granted on account of Covid-19, and LTECL has been computed for such borrowers.

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Company collects performance and default information about its credit risk exposures analysed by Product and geography. The Company employs statistical models of flow analysis and marginal default rate technique 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.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects a list of all the defaulters and tracked from the first time they become non-performing asset (“Stage 3”). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward Looking Information

While estimating the expected credit losses, the Company arrives at forward-looking PD estimates through the incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are Gross Domestic Product (% real change), Consumer Price Index Change (%), Lending Interest Rate (%), Private consumption (% real change), Manufacturing (% real change), Industrial production (% change), Recorded unemployment (%). Product-wise selection of macro-economic factors is done basis the best fitting of the macro indicators with the historical loss trends also taking into account management views, if any, on the drivers of the portfolio. Apart from considering the base case of the macro outlook, two more scenarios an optimistic and pessimistic views of the outlook are also evaluated taking into account the external market conditions. Appropriate weightage is assigned to each of the scenarios to arrive at the final estimates. Presently, a higher deterioration of the base macro outlook is done to arrive at the pessimistic view and also its weightage has been increased vis-a-vis pre-Covid levels in view of external conditions. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Notes to Financial Statements
for the year ended 31 March, 2026

Reconciliation of ECL balances in given below:

(₹ lakhs)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,216	3,154	6,505	**13,875**	5,433	3,360	6,935	**15,728**
New assets originated or purchased	1,200	-	-	**1,200**	2,268	4	-	**2,272**
Assets derecognised or repaid	(525)	(404)	(3,516)	**(4,445)**	(1,081)	(563)	(2,115)	**(3,759)**
Net transfers to/from Stage 1	5,945	(1,970)	(3,975)	-	3,916	(2,936)	(980)	-
Net transfers to/from Stage 2	(2,266)	2,668	(402)	-	(2,286)	3,638	(1,352)	-
Net transfers to/from Stage 3	(83)	(5,400)	5,483	-	(38)	(3,529)	3,567	-
Remeasurement of ECL	(4,215)	4,850	9,813	**10,448**	(3,995)	3,274	5,384	**4,663**
Amounts written off	(2)	(38)	(3,828)	**(3,868)**	(1)	(94)	(4,934)	**(5,029)**
ECL allowance - closing balance	**4,270**	**2,860**	**10,080**	**17,210**	**4,216**	**3,154**	**6,505**	**13,875**

Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

(₹ lakhs)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**946,364**	**24,676**	**16,213**	**987,253**	**755,357**	**18,109**	**15,171**	**788,637**
New assets originated or purchased	444,753	-	-	**444,753**	509,158	41	-	**509,199**
Assets derecognised/repaid/ recovery	(316,216)	(3,480)	(10,614)	**(330,310)**	(291,101)	(3,894)	(6,742)	**(301,737)**
Net transfers to/from Stage 1	32,556	(19,760)	(12,796)	-	22,472	(19,674)	(2,798)	-
Net transfers to/from Stage 2	(67,660)	68,566	(906)	-	(48,833)	52,640	(3,807)	-
Net transfers to/from Stage 3	(1,242)	(42,089)	43,331	-	(607)	(22,123)	22,730	-
Amounts written off	(79)	(295)	(7,128)	**(7,502)**	(82)	(423)	(8,341)	**(8,846)**
Closing balance	**1,038,476**	**27,618**	**28,100**	**1,094,194**	**946,364**	**24,676**	**16,213**	**987,253**
Interest accrued and other amortised cost	9,980	934	1,912	**12,826**	8,898	832	958	**10,688**
	1,048,456	**28,552**	**30,012**	**1,107,020**	**955,262**	**25,508**	**17,171**	**997,941**

Notes to Financial Statements
for the year ended 31 March, 2026

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with board's approved provisioning policy.

Cash and cash equivalents, other bank balance and other financial assets

The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan.

Exposure to credit risk and Collateral management

The Company holds collateral like residential, commercial land & building against its secured portfolio loans such as housing loan, loan against properties, and developer funding.

The Company has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value (LTV) ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals the Company liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Company.

Notes to Financial Statements
for the year ended 31 March, 2026

(₹ lakhs)

As at 31 March 2026	Maximum exposure to credit risk	Collaterals (Land & building)*	Associated ECLs
Financial Assets			
Balances with Bank	53,387	-	-
Loans & Advances (gross)	1,107,020	3,093,026	(17,210)
Derivative Financial Instrument	8,562	-	-
Trade receivables	163	-	-
Other financial asset	18,115	-	-
Total Financial Asset	**1,187,247**	**3,093,026**	**(17,210)**

(₹ lakhs)

As at 31 March 2025	Maximum exposure to credit risk	Collaterals (Land & building)*	Associated ECLs
Financial Assets			
Balances with Bank	60,611	-	-
Loans & Advances (gross)	997,941	2,856,021	(13,875)
Derivative Financial Instrument	117	-	-
Trade receivables	174	-	-
Other financial asset	16,851	-	-
Total Financial Asset	**1,075,694**	**2,856,021**	**(13,875)**

**The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals.*

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

Fair value of collateral and credit enhancements held under the base case scenario

(₹ lakhs)

Portfolio Loans	Maximum exposure to credit risk	Collaterals (Land & building)	Associated ECLs
As at 31 March 2026	30,012	62,084	(10,080)
As at 31 March 2025	17,171	33,212	(6,505)

Liquidity Risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

Notes to Financial Statements

for the year ended 31 March, 2026

The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company. In terms of actions, the Company's liquidity risk management policy is guided by the following principles:

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk

The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (payable along with interest outgo*).

(₹ lakhs)

As at 31 March 2026	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Trade payables	7,650	7,650	-	-	**7,650**
Borrowings other than debt securities	671,004	175,176	554,565	70,287	**800,029**
Debt Securities (including Subordinated liabilities)	332,948	114,739	204,252	79,259	**398,250**
Lease liabilities	5,367	1,668	3,991	843	**6,502**
Other financial liabilities (excluding lease liabilities)	14,640	12,420	1,229	-	**13,649**

(₹ lakhs)

As at 31 March 2025	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative Financial Instrument	1,261	-	1,261	-	**1,261**
Trade payables	4,775	4,775	-	-	**4,775**
Borrowings other than debt securities	663,237	186,527	530,489	100,195	**817,211**
Debt Securities	263,510	61,965	218,351	29,226	**309,542**
Lease liabilities	7,062	1,776	5,609	1,483	**8,868**
Other financial liabilities (excluding lease liabilities)	19,283	17,506	1,776	-	**19,281**

**The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amount may change as market interest rates change.*

Notes to Financial Statements

for the year ended 31 March, 2026

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks to maintain the liquidity requirements.

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Expiring within one year	47,500	127,830
Expiring beyond one year	133,700	-

The bank term loan facilities may be drawn at any time in ₹ and have an average maturity of 5 years (2025 : 5 year), Subject to maintenance of satisfactory credit ratings. In addition to above, the Company also have undrawn bank overdraft facilities ₹ 6,500 lakhs (31 March 2025: ₹ 6,500 lakhs) which may be drawn at any time and may be terminated by the bank without notice.

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers Including salaried and self-employed personnel and corporates. We face competition primarily from other MFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company holds derivative financial instruments such as Cross currency interest rate swap & forward contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. The Counterparty for these contracts is generally a bank.

Hedge Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS 109.

Interest rate risks are mitigated by entering into interest rate swaps. The Company uses pay-fixed / receive-floating interest rate swaps and cross-currency interest-rate swaps to hedge the interest rate risks in respect of the benchmark interest rate (mainly LIBOR) and foreign currency risks (US dollar) from its issuance of floating-rate & fixed notes denominated in foreign currencies.

Notes to Financial Statements

for the year ended 31 March, 2026

The currency risk on the borrowings is actively managed mainly through forward contracts. The Company hedges interest rate risk to the extent of benchmark interest rate & spread exposure on its floating-rate notes to mitigate variability in its cash flows. Cross Currency interest rate swaps are matched to specific issuances of floating-rate notes with terms that closely align with the critical terms of the hedged item. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

When the hedging instrument is a forward foreign exchange contract, the Company establishes a hedge ratio where the notional on the forward foreign exchange contract matches the carrying amount of the designated underlying. The qualitative assessment is supplemented quantitatively using the hypothetical derivative method for the purposes of assessing hedge effectiveness. The Company assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The hypothetical derivative and the actual derivative are compared to establish the effectiveness of the hedge relationship.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company's own credit risk on the fair value of the swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate and foreign currency; and
- differences in maturities or timing of cash flows of the swap and the notes
- zero floor rate under hedged item as against hedge instrument

Foreign currency exposure

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a. Long-term borrowings (Hedge item)	87,075	43,700
b. Highly Probable borrowings	-	43,375
c. Notional Value of Derivative (Hedge instrument)	(87,075)	(87,075)
Net exposure to foreign currency risk (a-b)	**-**	**-**

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	(979)	177
Reclassified from OCI to profit or loss	-	-
Closing balance	**(979)**	**177**

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency and vice versa.

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
USD/INR	871	(871)	871	(871)

Notes to Financial Statements

for the year ended 31 March, 2026

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables such as interest rates and credit spreads whether caused by factors specific to an individual investment, its issuer and market.

The Company's exposure to price risk arises from investments in unlisted equity securities, debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Exposure to price risk	19,578	41,041

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5%:

(₹ lakhs)

Effect on profit or loss	As at 31 March 2026	As at 31 March 2025
Impact on profit before tax for 5% increase in prices	(103)	(106)
Impact on profit before tax for 5% decrease in prices	103	106

Interest rate risk

The interest rate risk is the vulnerability of the Company's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate borrowings		
Debt Securities*	300,300	225,170
Bank Borrowing	26,188	19,550
Commercial Paper	-	5,000
External Commercial Borrowings (ECBs)	94,835	42,738
Variable rate borrowings		
Debt Securities	20,000	27,500
Bank borrowing (including WCDL)	545,339	590,235
Borrowing through Pass Through Certificate (PTC)	4,327	6,313
Sub Total	**990,989**	**916,506**
Adjustments for Interest accrued and Ind AS#	12,963	10,241
Total Borrowings	**1,003,952**	**926,747**

**includes subordinated liabilities*

#Adjustment for Interest accrued and Ind AS are not effected by changes in interest rate and accordingly not considered for sensitivity analysis

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

Notes to Financial Statements

for the year ended 31 March, 2026

Sensitivity analysis

(₹ lakhs)

Effect on profit or loss	As at 31 March 2026	As at 31 March 2025
Impact on profit before tax of 100 bps increase in interest rate	5,697	6,670
Impact on profit before tax of 100 bps decrease in interest rate	(5,697)	(6,670)

Financial Instrument

a. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date :

(₹ lakhs)

Particular	As at 31 March 2026			As at 31 March 2025		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial assets:						
Cash and cash equivalent	-	-	47,672	-	-	59,896
Bank balances other than cash and cash equivalent	-	-	5,805	-	-	800
Derivative Financial Instrument	8,562	-	-	117	-	-
Trade Receivables	-	-	163	-	-	174
Loans and advances	-	-	1,089,810	-	-	984,066
Investments	-	19,578	-	-	41,041	-
Other financial assets	-	-	18,115	-	-	16,851
Total financial assets	**8,562**	**19,578**	**1,161,565**	**117**	**41,041**	**1,061,787**
Financial liabilities:						
Derivative Financial Instrument	-	-	-	1,261	-	-
Trade payables	-	-	7,650	-	-	4,775
Debt securities	-	-	302,415	-	-	238,153
Subordinated liabilities	-	-	30,533	-	-	25,357
Borrowing other than debt securities	-	-	671,004	-	-	663,237
Other financial liabilities	-	-	20,007	-	-	26,344
Total financial liabilities	**-**	**-**	**1,031,609**	**1,261**	**-**	**957,866**

b. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

Notes to Financial Statements

for the year ended 31 March, 2026

The hierarchy used is as follows :

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

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

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial assets measured at FVTPL at each reporting date

(₹ lakhs)

Particular	Level 1		Level 2		Level 3	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Investment	19,578	41,041	-	-	-	-
Total	**19,578**	**41,041**	**-**	**-**	**-**	**-**

b) Financial assets and liabilities measured at amortised cost at each reporting date

(₹ lakhs)

Particulars	As at 31 March 2026		
	Carrying Value	Fair Value	
		level 2	level 3
Financial assets measured at amortised cost			
Loans and advances to customers*	1,107,020	-	1,107,020
Other financial assets	18,115	-	18,108
Total	**1,125,135**	**-**	**1,125,128**
Financial liabilities measured at amortised cost			
Debt securities	302,415	-	311,809
Subordinated liabilities	30,533	-	31,583
Borrowing other than debt securities	666,706	-	666,706
Borrowing through Pass Through Certificate (PTC)	4,298	-	4,298
Lease liabilities	5,367	-	5,412
Total	**1,009,319**	**-**	**1,019,808**

(₹ lakhs)

Particulars	As at 31 March 2025		
	Carrying Value	Fair Value	
		level 2	level 3
Financial assets measured			
Loans and advances to customers*	997,941	-	997,941
Other financial assets	16,851	-	16,854
Total	**1,014,792**	**-**	**1,014,795**
Financial liabilities measured at amortised cost			
Debt securities	238,153	-	246,581
Subordinated liabilities	25,357	-	26,261
Borrowing other than debt securities	652,010	-	652,010
Borrowing through Pass Through Certificate (PTC)	6,277	-	6,277
Commercial Papers	4,950	-	4,899
Lease liabilities	7,062	-	7,125
Total	**933,809**	**-**	**943,153**

**Gross value of portfolio loans*

Notes to Financial Statements

for the year ended 31 March, 2026

c) Financial assets and liabilities measured at FVOCI at each reporting date

(₹ lakhs)

Particulars	As at 31 March 2026		
	Carrying Value	Fair Value	
		level 2	level 3
Financial assets measured at FVOCI			
Derivative financial instruments	8,562	8,562	-
Total	**8,562**	**8,562**	**-**

(₹ lakhs)

Particulars	As at 31 March 2025		
	Carrying Value	Fair Value	
		level 2	level 3
Financial assets measured at FVOCI			
Derivative financial instruments	117	117	-
Total	**117**	**117**	**-**
Financial liabilities measured at FVOCI			
Derivative financial instruments	1,261	1,261	-
Total	**1,261**	**1,261**	**-**

Fair value of financials assets and financial liabilities at amortised cost i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	These are floating advances hence fair value equals to amortised cost
Other financial assets, Debt securities, Borrowing other than debt securities	Incremental cost of funds as at reporting date

Valuation techniques used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models.

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries), derivative financial instruments, etc. at fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Certificate of Deposits	The fair value for such securities is determined by applying benchmark yield available in the public domain.
Derivative financial instruments	Discounted cash flow based on the present value of future cash flows anticipated based on forward exchange rates and forward curves

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

Notes to Financial Statements

for the year ended 31 March, 2026

49 Maturity Analysis of Assets and Liabilities

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	47,672	-	47,672	59,896	-	59,896
Bank balances other than cash and cash equivalents	5,805	-	5,805	800	-	800
Investments	19,578	-	19,578	41,041	-	41,041
Derivative Financial Instruments	-	8,562	8,562	-	117	117
Trade receivables	163	-	163	174	-	174
Loans and advances*	210,145	879,665	1,089,810	181,865	802,201	984,066
Other financial assets	3,826	14,289	18,115	3,666	13,185	16,851
Non-Financial assets						
Current tax assets (net)	-	562	562	-	-	-
Deferred tax asset (net)	-	3,580	3,580	-	3,624	3,624
Other non-financial assets	1,519	1,983	3,502	1,402	1,887	3,288
Property, plant and equipment	-	2,213	2,213	-	2,639	2,639
Right of use assets	-	4,558	4,558	-	6,281	6,281
Intangible assets	-	719	719	-	770	770
Intangible assets under development	-	27	27	-	-	-
Total Assets	**288,707**	**916,158**	**1,204,866**	**288,844**	**830,703**	**1,119,547**
Financial liabilities						
Derivative Financial Instruments	-	-	-	-	1,261	1,261
Payables	7,650	-	7,650	4,775	-	4,775
Debt Securities	101,498	200,917	302,415	51,523	186,630	238,153
Subordinated liabilities	1,431	29,102	30,533	1,255	24,102	25,357
Borrowings	132,073	538,931	671,004	139,004	524,233	663,237
Other financial liabilities	14,692	5,315	20,007	20,059	6,285	26,344
Non-Financial liabilities						
Current tax liabilities (net)	-	-	-	12	-	12
Provisions	404	1,744	2,148	112	1,198	1,310
Other non-financial liabilities	852	1,251	2,103	1,486	1,825	3,311
Equity						
Equity share capital	-	37,116	37,116	-	37,116	37,116
Other equity	-	131,890	131,890	-	118,671	118,671
Total liabilities	**258,600**	**946,266**	**1,204,866**	**218,226**	**901,321**	**1,119,547**

**Loans and advance are classified basis behavioural pattern and management estimation of future inflows and outflows which have been relied by auditors.*

50 (A) Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

Notes to Financial Statements
for the year ended 31 March, 2026

b. Additional information where borrowings are from banks or financial institutions:

i. The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 25, Sept 25 and Dec 25 are in agreement with the books of account. Further for quarter ended Mar 26 the Company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

ii. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. Wilful Defaulter: The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2026 and March 31, 2025 are given below:

(₹ lakhs)

Name of the struck off Company	Relationship with the struck off Company	Nature of transactions with struck off company	As at 31 March 2026	As at 31 March 2025
Mindspace Consultancy Services Pvt Ltd	Not Applicable	Payment	0.52	-
Grace Relocations Pvt Ltd	Not Applicable	Payment	0.14	-
Alphaone services Pvt Ltd	Not Applicable	Payment	1.69	-
Alphaone services Pvt Ltd	Not Applicable	Payable	0.24	-
Sreenidhi Valuation Research & Analytics Pvt Ltd	Not Applicable	Payment	0.33	-
Mangalam Infraspace Pvt Ltd	Not Applicable	Payment	1.75	-

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	As at 31 March 2026	As at 31 March 2025
Capital to risk-weighted assets ratio (CRAR) (%)	22.54%	22.27%
Tier I CRAR (%)	18.41%	18.35%
Tier II CRAR (%)	4.13%	3.92%
Liquidity Coverage Ratio (%)	156.26%	133.35%

h. Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year.

i. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2026, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable:

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Notes to Financial Statements

for the year ended 31 March, 2026

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. **Undisclosed Income:** The Company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

K. **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

50 (B) The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four labour codes collectively referred to as the "New Labour Codes". The Company has assessed the implications of the New Labour Codes and have taken an estimated increase in past service cost by ₹ 308 lakhs and is presented as an exceptional item in the financial results for the year ended 31 March 2026. The Government is in the process of notifying related Central / State rules to the New Labour Codes and impact of these will be evaluated and accounted for, as needed, in accordance with applicable accounting standards in the period in which they are notified.

51 Details of Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold certain loans and advances measured at amortised cost under assignment/colending arrangements as a source of financing. In accordance with the terms of these arrangements, and as the derecognition criteria under Ind AS 109—including the transfer of substantially all risks and rewards associated with the assets to the buyer—have been satisfied, such assets have been derecognised. Management has assessed the impact of these assignment transactions on the Company's business model and, considering its future business plans, has concluded that the business model continues to be to hold assets for the purpose of collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Carrying amount of derecognised financial assets measured at amortised cost	54,159	37,373
Net Gain/(loss) from derecognition for the year	7,709	3,386
Carrying amount of derecognised financial assets carried at FVOCI	-	70,000
Net Gain/(loss) from derecognition for the year	-	7,080

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Carrying amount of continuing involvement in derecognised financial assets	24,310	22,141

Notes to Financial Statements

for the year ended 31 March, 2026

52 As required by the RBI circular no. (RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26) dated 28 November 2025, the details of accounts restructured during the year ended 31 March 2026 are given below:

(₹ lakhs)

No.	Type of restructuring	Restructuring Account as on 31 March 2025			Fresh restructuring during the year			Upgradations to restructured standard category during the FY			Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY			Down gradations of Restructured accounts during the FY			Write-offs of restructured accounts during the FY			Restructured accounts as on 31 March 2026		
	Asset Classification	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2026	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2026	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2026	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2026	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon
1	**CDR**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	**MSME & Others**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	2	13.14	7.92	-	-	-	-	-	-	-	0.01	(0.03)	-	-	-	-	-	-	2.0	13.15	7.90
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**2**	**13.14**	**7.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**(0.03)**	**-**	**-**	**-**	**-**	**-**	**-**	**2.0**	**13.15**	**7.90**
3	**Grand Total**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	2	13.14	7.92	-	-	-	-	-	-	-	0.01	(0.03)	-	-	-	-	-	-	2.0	13.15	7.90
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**2**	**13.14**	**7.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**(0.03)**	**-**	**-**	**-**	**-**	**-**	**-**	2.0	13.15	7.90

Note:

1. The outstanding amount and number of borrowers as at 31 March 2026 is after considering recoveries and sale of assets during the year.
2. The above table pertains to advances and does not include investment in shares which have been fully provided for.
3. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
4. For the purpose of arithmetical accuracy as required by circular, movement in provisions in the existing restructured account as compared to opening balance is disclosed under column fresh restructuring (for increase in provision) and write-off/ sale/recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.
5. **MSME details**

Particulars	No. of MSME accounts	Amount outstanding	Provision thereon
As on 31 March 2026	-	-	-
As on 31 March 2025	-	-	-

Notes to Financial Statements

for the year ended 31 March, 2026

53 ADDITIONAL DISCLOSURES REQUIRED BY NHB

Disclosures as required in Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26) dated November 28, 2025. These have been prepared on the basis of IND AS financials in line with Master Direction.

i) Capital to Risk Assets Ratio ('CRAR')

Particulars	As at 31 March 2026	As at 31 March 2025
CRAR (%)	22.54%	22.27%
CRAR- Tier I Capital (%)	18.41%	18.35%
CRAR- Tier II Capital (%)	4.13%	3.92%
Amount of subordinated debt raised as Tier-II capital (₹ lakhs)*	29,500	24,500
Amount raised by issue of Perpetual Debt Instruments (₹ lakhs)	-	-

**Principal outstanding as on reporting date. During the FY 2025-26, the Company has raised subordinated debt of 50 crores.*

ii) Reserve Fund u/s 29 C of NHB Act, 1987

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers.

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,895	3,505
c) Total	**5,895**	**3,505**
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,520	2,390
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		-
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	8,415	5,895
c) Total	**8,415**	**5,895**

Notes to Financial Statements

for the year ended 31 March, 2026

iii) Investments

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Value of Investments		
(i) Gross value of investments		
(a) In India	19,578	41,041
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	19,578	41,041
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	**-**	**-**

iv) Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (also includes currency interest rate swaps)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) The notional principal of swap agreements	87,075	87,075
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book (Asset / (Liability) (net)	8,562	(1,144)

b. Exchange Traded Interest Rate (IR) Derivative

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year ended	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on year ended	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

Notes to Financial Statements

for the year ended 31 March, 2026

c. Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing derivative cover to third parties.

d. Qualitative Disclosure

(i) All hedging activities, if any are carried out by treasury department possessing the appropriate skills, experience and supervision. The Company's activities expose it to the financial risks of changes in foreign exchange rates and Interest rate. The Company uses derivative contracts to hedge its exposure to movements in foreign exchange and Interest rate. The use of these derivative contracts reduce the risk or cost to the Company. The Company's policy is to hedge the exposure by taking derivative instruments and not for trading in derivatives for speculative purposes.

(ii) The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

a) Treasury and Risk function is authorised to elect appropriate derivative instrument;

b) The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;

c) Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled and reported in ALCO;

d) The Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;

e) The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.

e. Quantitative Disclosure

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Currency derivative	Interest rate Derivatives	Currency derivative	Interest rate Derivatives
Derivatives (Notional Principal Amount) for hedging	-	87,075	-	87,075
Marked to Market Positions				
a) Asset (+)	-	8,562	-	117
b) Liability (-)	-	-	-	(1,261)
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

Notes to Financial Statements
for the year ended 31 March, 2026

v) Securitization

a) Securitization Transactions (Non-STC)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator	1	1
2. Total amount of securitised assets as per books of the SPEs	4,555	6,645
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures		
• First loss	762	767
• Others	228	334
4. Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	Nil	Nil
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
7. Performance of facility provided		
Fixed Deposit		
(a) Amount paid	-	-
(b) Repayment received	-	-
(c) Outstanding amount	762	767
8. Average default rate of portfolios observed in the past	2.01%	1.59%
9. Amount and number of additional/top up loan given on same underlying asset	NA	NA
10. Investor complaints		
(a) Directly/Indirectly received	Nil	Nil
(b) Complaints outstanding	Nil	Nil

Notes to Financial Statements
for the year ended 31 March, 2026

vi) Disclosure of transfer of loan exposure

a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the year Company has not sold financials asset to securitisation/ reconstruction company for asset reconstruction.

b) Assignment

Details of Assignment transactions undertaken by the Company during the year:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Entity/Assignee	Bank/NBFC	Bank/NBFC
Number of loans assigned	3,450	7,621
Amount of loans assigned	54,159	103,285
Weighted average maturity (in months)	157	171
Weighted average holding period (in months)	10	16
Retention of beneficial economic interest	10%/15%	10%
Coverage of tangible security	100%	100%
Rating-wise distribution of rated loans	NA	NA

c) Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased during the year:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
No. of accounts purchased during the year	NIL	NIL
Aggregate outstanding		
Aggregate consideration paid		
Weighted average residual tenor of the loans acquired		
Of these, number of accounts restructured		
Aggregate outstanding		

The Company has not acquired any stressed assets during the year.

Notes to Financial Statements

for the year ended 31 March, 2026

(ii) Details of stressed loans transferred or acquired based on Master Direction —Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 :

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)	For the year ended 31 March 2026			For the year ended 31 March 2025		
	To ARC	To permitted transferee#	To other transferees	To ARC	To permitted transferee	To other transferees
No. of accounts	281	263	Nil	Nil	407	Nil
Aggregate principal outstanding of loans transferred (₹ lakhs)	5,161	-	Nil	Nil	7,956	Nil
Weighted average residual tenor of the loans transferred	247	84	Nil	Nil	281	Nil
Net book value of loans transferred (at the time of transfer) (₹ lakhs)	2,111	Nil	Nil	Nil	3,097	Nil
Aggregate consideration (₹ lakhs)	2,284	40	Nil	Nil	3,023	Nil
Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years (₹ lakhs)	-	-	Nil	Nil	-	Nil

Includes sale of written off portfolio

#These accounts were already liquidated in the past and hence Principal outstanding is Nil at the time of transfer

(iii) The Company has not entered into any Co-lending arrangements during the year ended March 31, 2026.

vii) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ lakhs)

Particulars	As at 31 March 2026						
	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign Currency Liabilities	Advances*	Investments	Foreign Currency Assets
1-7 days	-	892	-	-	14,412	2,497	-
8-14 days	-	3,995	-	-	4,412	-	-
15-30/31 days	-	2,405	-	-	7,122	14,651	-
Over 1 month up to 2 months	-	8,684	40,553	337	16,272	-	-
Over 2 months up to 3 months	-	16,590	801	226	17,195	-	-
Over 3 months & up to 6 months	-	29,169	16,094	-	53,839	2,429	-
Over 6 Months & up to 1 year	-	69,774	45,481	-	96,894	-	-
Over 1 year & up to 3 years	-	237,576	168,800	94,318	260,144	-	-
Over 3 years & up to 5 years	-	143,670	7,000	-	149,778	-	-
Over 5 years	-	63,366	54,219	-	469,742	-	-
Total	**-**	**576,122**	**332,948**	**94,882**	**1,089,810**	**19,578**	**-**

Notes to Financial Statements

for the year ended 31 March, 2026

(₹ lakhs)

Particulars	As at 31 March 2025						
	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign Currency Liabilities	Advances*	Investments	Foreign Currency Assets
1-7 days	-	302	-	-	12,568	9,938	-
8-14 days	-	4,012	-	-	4,047	4,925	-
15-30/31 days	-	2,822	-	-	6,476	12,340	-
Over 1 month up to 2 months	-	11,540	25,327	-	13,758	13,838	-
Over 2 months up to 3 months	-	21,875	207	226	14,288	-	-
Over 3 months & up to 6 months	-	28,692	6,743	-	45,757	-	-
Over 6 Months & up to 1 year	-	69,535	20,501	-	84,971	-	-
Over 1 year & up to 3 years	-	252,042	186,630	42,410	229,289	-	-
Over 3 years & up to 5 years	-	139,959	-	-	126,528	-	-
Over 5 years	-	89,822	24,102	-	446,384	-	-
Total	**-**	**620,601**	**263,510**	**42,636**	**984,066**	**41,041**	**-**

**Advance as at year end are disclosed as per behavioral pattern.*

The Company does not have any deposits as on 31 March 2026 and 31 March 2025.

Based on Management estimation of future inflows and outflows which have been relied by auditors.

viii) Exposures

a) Exposure to real estate sector

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Direct exposure		
Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	986,681	867,497
Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	250,710	247,813
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	-
Indirect Exposure - Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**1,237,391**	**1,115,310**

Exposure amount includes principal outstanding, Interest accrued thereon, undrawn amount and other adjustments for gross carrying value. The Company provides loans against property which are fully collateralized against a residential property, commercial property. All Residential collateral are reported under residential mortgage while commercials (including commercial real estate, shops, hotels and Industry) collateral are reported as commercial real estate. The end use of the loan may be business in case of a business customer or could be personal in case of a salaried and individual customer.

Notes to Financial Statements

for the year ended 31 March, 2026

b) Exposure to capital market

The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
b) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
f) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on the clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
g) Bridge loans to companies against expected equity flows/issues;	Nil	Nil
h) Underwriting commitments taken up by the HFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
i) Financing to stockbrokers for margin trading		
j) All exposures to Alternate Investment Funds (a) Category I (b) Category II (c) Category III	Nil	Nil
Total Exposure to Capital Market	-	-

c) Details of financing of parent company products

The Company has not financed any products of parent company in the financial year ended 31 March 2026 and 31 March 2025.

d) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB during the financial year.

e) Unsecured advances

The Company has not given any advances against intangible securities such as charge over the rights, licenses, authority, etc. in the financial year ended 31 March 2026 and 31 March 2025. For secured advances, refer note 7 - Loans and Advances

ix) Exposure to group companies engaged in real estate business (refer to Paragraph 21 of these directions)

Description	Amount (₹ in Lakhs)	% of owned fund
(i) Exposure to any single entity in a group engaged in real estate business	Nil	Nil
(ii) Exposure to all entities in a group engaged in real estate business	Nil	Nil

Notes to Financial Statements

for the year ended 31 March, 2026

x) Registration with other financial sector

Regulators	Registration Number
Ministry of Corporate Affairs (MCA)	CIN: U65922TN2010PLC076972
Insurance Regulatory Development Authority (IRDA)	Reg No. CA 0948

xi) During FY 2025-26, there were no penalties imposed by NHB or any other regulator for contravention of paragraph 22 and 27A of the Housing Finance Companies (NHB) Direction 2010.

xii) Related party transactions during the current and previous year.

For the year ended 31 March, 2026

Particulars	Holding	Subsidiaries	Associate of Holding Company	Key Management#	Relatives of Key Management Personnel#	Directors#	Relatives of Directors#	Others	Total
1) SMFG India Credit Co. Ltd.									
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-
Income as per Resource sharing	144	-	-	-	-	-	-	-	144
Expense as per Resource Sharing	5,350	-	-	-	-	-	-	-	5,350
Service Fee income for Assignment	83	-	-	-	-	-	-	-	83
Payable on account of resource sharing, assignment transaction and others (net)	2,482	-	-	-	-	-	-	-	2,482
Guarantee Outstanding	18,641	-	-	-	-	-	-	-	18,641
Equity Investment as at	133,500	-	-	-	-	-	-	-	133,500
Remuneration to KMP	-	-	-	1,103	-	-	-	-	1,103
Director's Sitting fees & Commission	-	-	-	-	-	179	-	-	179
2) Yes Bank Ltd									
Service Fee income for Assignment	-	-	4	-	-	-	-	-	4
Payable on account of Assignment			45						45
Total	**160,200**	**-**	**49**	**1,103**	**-**	**179**	**-**	**-**	**161,531**

Notes to Financial Statements

for the year ended 31 March, 2026

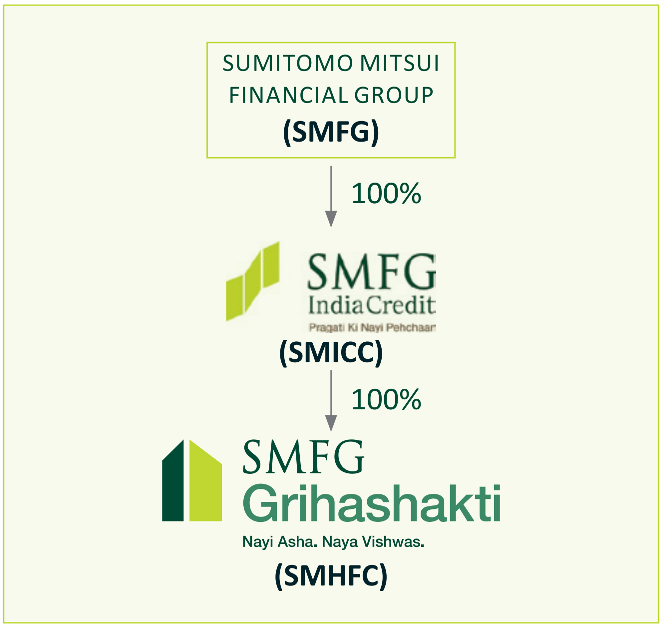
For the year ended 31 March, 2025

Particulars	Holding	Subsidiaries	Associate of Holding Company	Key Management#	Relatives of Key Management Personnel#	Directors#	Relatives of Directors#	Others	Total
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of assets through Assignment	38,153								38,153
Equity Investment made during the year	45,000	-	-	-	-	-	-	-	45,000
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-
Income as per Resource sharing	51	-	-	-	-	-	-	-	51
Expense as per Resource Sharing	4,610	-	-	-	-	-	-	-	4,610
Service Fee income for Assignment	74	-	-	-	-	-	-	-	74
Commitment charges paid	183	-	-	-	-	-	-	-	183
Payable on account of resource sharing, assignment transaction and others (net)	2,812	-	-	-	-	-	-	-	2,812
Guarantee Outstanding	23,559	-	-	-	-	-	-	-	23,559
Equity Investment as at	133,500	-	-	-	-	-	-	-	133,500
Remuneration to KMP	-	-	-	1,097	-	-	-	-	1,097
Director's Sitting fees & Commission	-	-	-	-	-	136	-	-	136
Total	**247,942**	**-**	**-**	**1,097**	**-**	**136**	**-**	**-**	**249,175**

#Since there were no borrowings, deposits, advances, investments, or placement of deposits with related parties, KMPs/directors, or their relatives during the year, disclosure relating to the maximum balance outstanding is not applicable.

Notes to Financial Statements
for the year ended 31 March, 2026

Diagrammatic representation of group structure



xiii) Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	For the year ended 31 March 2026			For the year ended 31 March 2025	
	JCRA*	CARE	CRISIL	CARE	CRISIL
Non-convertible debentures/ Sub debt	-	AAA Stable	AAA Stable	AAA Stable	AAA Stable
Term Loan	-	AAA Stable	AAA Stable	AAA Stable	AAA Stable
Short term debt / Commercial Paper	-	A1+	A1+	A1+	A1+
Long-term Issuer	AA-/Stable	A1+	A1+	A1+	A1+

**Received on 10th April, 2026 from JCRA (Japan Credit Rating Agency) for foreign currency borrowings.*

Ratings are subject to annual surveillance.

xiv) Net Profit or Loss for the period, prior period items and changes in accounting policies.

The Company has not debited any prior period items in statement of profit & loss during the current year/previous year.

xv) Remuneration of Non-Executive Directors

Refer note 35 for related party transactions for remuneration paid to non- executive directors during the current and previous year.

xvi) Management Discussion & Analysis Report : Refer the Management Discussion and Analysis section

xvii) Revenue recognition.

There has been no instance of revenue recognition being postponed pending resolution of significant uncertainties.

Notes to Financial Statements

for the year ended 31 March, 2026

xviii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit & Loss Account

(₹ lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2026	For the year ended 31 March 2025
Provision made towards income tax (incl. adj. for tax of earlier period)	4,546	3,232
Provisions for depreciation on Investment	-	-
Other Provision and Contingencies	838	(360)
Provision towards NPA portfolio loans	2,555	(218)
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)		
- Housing (Incl. CRE-RH)	525	(972)
- Non-Housing (incl. CRE)	256	(663)

The total provision carried by the Company in terms of paragraph 15 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, as follows:-

(₹ lakhs)

Break up of Loan & Advances and Provisions thereon	As at 31 March 2026		As at 31 March 2025	
	Housing	Non-Housing	Housing	Non-Housing
Standard Assets				
a) Total Outstanding Amount	744,338	332,670	683,263	291,191
b) Provisions made	4,810	2,319	4,286	2,063
Sub-Standard Assets				
a) Total Outstanding Amount	14,720	8,135	11,391	7,792
b) Provisions made	5,091	2,171	3,665	1,901
Doubtful Assets – Category-I				
a) Total Outstanding Amount	3,309	2,318	1,588	909
b) Provisions made	1,168	648	762	367
Doubtful Assets – Category-II				
a) Total Outstanding Amount	809	376	761	416
b) Provisions made	650	154	296	175
Doubtful Assets – Category-III				
a) Total Outstanding Amount	72	273	151	479
b) Provisions made	45	154	95	265
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**763,248**	**343,772**	**697,154**	**300,787**
b) Provisions made	**11,764**	**5,446**	**9,104**	**4,771**

Note:

a. The total outstanding amount mean Principal + accrued interest + other charges pertaining to loans without netting off

b. The category of Doubtful assets will be under:

The period for which the assets has been considered doubtful	Category
Upto one year:	Category- I
one year to three years:	Category- II
More than three years:	Category- III

Notes to Financial Statements
for the year ended 31 March, 2026

xix) Draw down from reserves

The Company has not withdrawn any amount from any of the reserves during the year ended 31 March 2026 (31 March 2025: Nil)

xx) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposit from earlier years.

(b) Concentration of Loans and Advances

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Total advances to twenty largest borrowers	32,204	39,270
Percentage of advances to twenty largest borrowers to total advances of the Company	2.9%	3.9%

(c) Concentration of all Exposures (including off-balance sheet exposure)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Total exposure to twenty largest borrowers / customers (Amount includes carrying value of loans and undrawn loan commitment)	63,679	65,505
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	5.2%	5.9%

(d) Concentration of Non-Performing Accounts

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Total Exposure to top ten NPA accounts	2,169	1,725

(e) Sector-wise Non-performing accounts

Percentage of NPAs to Total Advances in that sector	As at 31 March 2026	As at 31 March 2025
Housing Loans		
Individuals	2.69%	2.29%
Builder/Project loans	0.95%	0.00%
Corporates	0.00%	0.00%
Others	0.00%	0.00%
Non-Housing Loans		
Individuals	3.55%	3.48%
Builder/Project loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others	0.00%	0.00%

Notes to Financial Statements
for the year ended 31 March, 2026

xxi) Movement of NPAs and Provision

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Net NPAs to Net Advances (%)	**1.82%**	**1.61%**
Movement of Gross NPAs		
(a) Opening Balance	**23,485**	**20,407**
(b) Additions during the year	41,753	30,137
(c) Reductions during the Year	35,226	27,059
(d) Closing Balance	**30,012**	**23,485**
Movement of provisions for NPAs		
(a) Opening Balance	**7,526**	**7,744**
(b) Provisions made during the year	14,940	11,054
(c) Write off / Write back of excess provisions	12,386	11,272
(d) Closing Balance	**10,080**	**7,526**
Movement of Net NPAs		
(a) Opening Balance	**15,959**	**12,663**
(b) Additions during the year	26,813	19,083
(c) Reductions during the Year	22,840	15,787
(d) Closing Balance	**19,932**	**15,959**

xxii) In terms of requirement of NHB's Circular No. NHB (ND) /DRS/ Pol.Circular. 61/2013-14 dated 07 April, 2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided :

(refer note no. 53 (ii))

xxiii) Overseas Assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Overseas Assets	N.A	N.A

xxiv) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting Norms

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Name of the SPV sponsored - Domestic - Overseas	N.A	N.A

Notes to Financial Statements

for the year ended 31 March, 2026

xxv) The Company does not have any subsidiary, associate or joint venture company, hence the disclosure is not applicable. Further the consolidated financial statements is not applicable to the Company.

xxvi) Asset classification based on RBI Circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020

(₹ lakhs)

	Year ended 31 March 2026					
Asset Classification as per RBI Norms	**Asset classification as per Ind AS 109**	**Gross Carrying Amount as per Ind AS**	**Loss Allowances (Provisions) as required under Ind AS 109**	**Net Carrying Amount**	**Provisions required as per IRACP norms**	**Difference between Ind AS 109 provisions and IRACP norms**
	2	**3**	**4**	**5=(3)-(4)**	**6**	**7=(4)-(6)**
Performing Assets						
Standard	Stage 1	1,048,456	4,107	1,044,349	4,153	(46)
	Stage 2	28,552	2,855	25,697	121	2,734
	Stage 3	-	-	-	-	-
Subtotal		**1,077,008**	**6,961**	**1,070,047**	**4,274**	**2,687**
Non-Performing Assets (NPA)						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	22,854	7,262	15,592	3,240	4,022
Doubtful						
up to 1 year	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	5,626	1,816	3,810	1,400	416
1 to 3 years	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	1,186	804	382	453	351
More than 3 years	Stage 3	346	198	148	334	(136)
Subtotal for doubtful		**7,158**	**2,818**	**4,340**	**2,187**	**631**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**30,012**	**10,080**	**19,932**	**5,427**	**4,653**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	136,864	163	136,701	-	163
	Stage 2	204	5	199	-	5
	Stage 3	-	-	-	-	-
Subtotal		**137,068**	**169**	**136,899**	**-**	**169**
Total	**Stage 1**	**1,185,320**	**4,270**	**1,181,050**	**4,153**	**117**
	Stage 2	**28,756**	**2,860**	**25,896**	**121**	**2,739**
	Stage 3	**30,012**	**10,080**	**19,932**	**5,427**	**4,653**
	Total	**1,244,088**	**17,210**	**1,226,878**	**9,701**	**7,509**

Notes to Financial Statements

for the year ended 31 March, 2026

(₹ lakhs)

Asset Classification as per RBI Norms	Year ended 31 March 2025					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Performing Assets						
Standard	Stage 1	954,671	3,690	950,981	3,817	(127)
	Stage 2	19,785	2,215	17,570	109	2,106
	Stage 3	-	-	-	-	-
Subtotal		**974,456**	**5,905**	**968,551**	**3,926**	**1,979**
Non-Performing Assets (NPA)						
Substandard	Stage 1	559	83	476	83	-
	Stage 2	5,371	811	4,560	775	36
	Stage 3	13,252	4,673	8,579	1,888	2,785
Doubtful						
up to 1 year	Stage 1	13	3	10	3	-
	Stage 2	305	99	206	73	26
	Stage 3	2,179	1,027	1,152	580	447
1 to 3 years	Stage 1	18	7	11	7	-
	Stage 2	48	18	30	18	-
	Stage 3	1,110	445	665	405	40
More than 3 years	Stage 3	630	360	270	615	(255)
Subtotal for doubtful		**4,303**	**1,959**	**2,344**	**1,701**	**258**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**23,485**	**7,526**	**15,959**	**4,447**	**3,079**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	172,660	433	172,227	-	433
	Stage 2	264	11	253	-	11
	Stage 3	-	-	-	-	-
Subtotal		**172,924**	**444**	**172,480**	**-**	**444**
Total	**Stage 1**	**1,127,921**	**4,216**	**1,123,705**	**3,910**	**306**
	Stage 2	**25,773**	**3,154**	**22,619**	**975**	**2,179**
	Stage 3	**17,171**	**6,505**	**10,666**	**3,488**	**3,017**
	Total	**1,170,865**	**13,875**	**1,156,990**	**8,373**	**5,502**

1. Total Gross carrying amount represents loans at amortised cost as per Note 7. Other items in column 3 include undrawn loan commitments.

2. ECL provisioning is presented at the portfolio level for each stage while the Provisions required as per IRACP norms are presented in accordance with RBI/NHB guidelines and circular reference dated 17 April 2020.

3. Interest on NPA portfolio is not recognized under IRAC norms, while interest on Stage 3 assets is accounted as net of ECL provision and forms part of carrying value of portfolio loans.

Notes to Financial Statements
for the year ended 31 March, 2026

xxvii) Details of Principal Business Criteria as per Paragraph 4.1.17:

Particulars	As at 31 March 2026	As at 31 March 2025
Housing Finance Assets of its total assets netted off by intangible assets	62.70%	61.81%
Individual Housing Finance assets of its total assets netted off by intangible assets	54.89%	53.82%

xxviii) Disclosure on complaints

a) Complaints received by the HFC from its customers

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
i. Number of complaints pending at beginning of the year	1	-
ii. Number of complaints received during the year	932	741
iii. Number of complaints disposed during the year	905	740
a. Of which, number of complaints rejected by the HFC	-	-
iv. Number of complaints pending at the end of the year	28	1

b) Maintainable complaints received by the HFC from Office of Ombudsman

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
i. Number of maintainable complaints received by the HFC from Office of Ombudsman	NA	NA
a. Of i, number of complaints resolved in favour of the HFC by Office of Ombudsman		
b. Of i, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
c. Of i, number of complaints resolved after passing of Awards by Office of Ombudsman against the HFC		
ii. Number of Awards unimplemented within the stipulated time (other than those appealed)		

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Top five grounds[a] of complaints received by the HFCs from customer

Particulars	As at 31 March 2026				
	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of iv, number of complaints pending beyond 30 days
Branch Assistance	1	181	46%	4	-
Rate Related	-	105	>100%	1	-
Onboarding Process	-	101	>100%	3	-
Repayment Related	-	92	17%	3	-
Document Related	-	78	(20%)	3	-
Total	**1**	**557**	**>100%**	**14**	**-**

Notes to Financial Statements
for the year ended 31 March, 2026

Particulars	As at 31 March 2025				
	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of iv, number of complaints pending beyond 30 days
Branch Assistance	-	124	>100%	1	-
Document related	-	97	>100%	-	-
Repayment Reminders	-	85	>100%	-	-
Service Portal Issues	-	66	>100%	-	-
Onboarding Process	-	48	>100%	-	-
Total	**-**	**420**	**>100%**	**1**	**-**

xxix) The details of frauds noticed / reported are as below:

(₹ lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Number of cases	10	4
Amount Involved	301	120
Amount Recovered during the year from the Fraud reported till date	111	-
Amount written off/provided	301	120
Balance	-	-

xxx) The Company does not have any outstanding loan against gold & silver jewelleries as at 31 March 2026 (31 March 2025: ₹ Nil).

xxxi) Sectoral Exposure (including funded and non-funded exposure)

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Total Exposure	Gross NPA	Percentage of Gross NPA to total exposure in that sector	Total Exposure	Gross NPA	Percentage of Gross NPA to total exposure in that sector
I. Gross Advances (II + III)	**1,237,391**	**30,012**	**2.43%**	**1,115,310**	**23,485**	**2.11%**
II. Food Credit	**-**	**-**	**-**	**-**	**-**	**-**
III. Non-Food Credit (1 to 5)	**1,237,391**	**30,012**	**2.43%**	**1,115,310**	**23,485**	**2.11%**
1. Agriculture and Allied Activities	**-**	**-**	**-**	**-**	**-**	**-**
2. Industry	**-**	**-**	**-**	**-**	**-**	**-**
3. Services	**501,554**	**11,238**	**2.24%**	**459,501**	**8,913**	**1.94%**
3.a Retail Trade	231,434	8,263	3.57%	195,129	7,170	3.67%
3.b Commercial Real Estate	92,317	1,678	1.82%	86,162	1,447	1.68%
3.c Other Services	177,803	1,297	0.73%	178,210	296	1.79%
Total 3.a to 3.c	**501,554**	**11,238**	**2.24%**	**459,501**	**8,913**	**1.94%**
3.a Micro and Small	501,554	11,238	2.24%	459,501	8,913	1.94%
3.b Medium	-	-	-	-	-	-
3.c Large	-	-	-	-	-	-
4. Retail Loans	**735,837**	**18,774**	**2.55%**	**817,459**	**14,572**	**1.78%**
Housing Loans (incl. priority sector Housing)	726,625	18,412	2.53%	647,274	14,215	1.76%
Other Retail loans, if any, Please specify	9,212	362	3.93%	8,535	357	4.18%
5. Other Non-food Credit, if any	**-**	**-**	**-**	**-**	**-**	**-**

Notes to Financial Statements

for the year ended 31 March, 2026

xxxii) Intra-Group Exposure

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Total amount of intra-group exposures		
(ii) Total amount of Top 20 intra-group exposures	NIL	NIL
(iii) Percentage of intra-group exposures to total exposures of the NBFC on borrowers/customers		

xxxiii) Unhedged foreign currency exposure

a) The Company has no unhedged foreign currency exposure on March 31, 2026.

b) Policies to manage currency induced risk

The Company has no unhedged foreign currency exposure hence policies to manage currency induced risk is not applicable.

xxxiv) Corporate Governance

Disclosure in relation to corporate governance are disclosed in the corporate governance section in accordance with SEBI (LODR) Regulation 2015 as amended from time to time.

xxxv) Breach of covenant

There were no instances of breach of covenant of loan availed or debt securities issued during the years ended 31 March 2026 and 31 March 2025.

xxxvi) Divergence in Asset Classification and Provisioning

There is no divergence assessed by NHB from the inspection carried during the years ended 31 March 2026 and 31 March 2025.

xxxvii) Disclosure related to project finance.

(₹ lakhs)

Sr. No.	Item Description	Quarter ending 31 December 2025		Quarter ending 31 March 2026	
		No. of Accounts	Amount	No. of Accounts	Amount
1	Projects under implementation accounts in the beginning of the quarter	161	115,600	159	121,037
2	Projects under implementation accounts sanctioned during the quarter	16	11,132	11	7,364
3	Projects under implementation accounts where DCCO has been achieved during the quarter	6	1,200	5	3,040
4	Projects under implementation accounts at the end of the quarter*	159	121,037	145	115,569
5	Out of '4'- accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-	-	-
5.1	Out of '5'- accounts in respect of which resolution plan has been implemented.	-	-	-	-
5.2	Out of '5'- accounts in respect of which resolution plan is under implementation.	-	-	-	-
5.3	Out of '5'- accounts in respect of which resolution plan has failed.	-	-	-	-

Notes to Financial Statements
for the year ended 31 March, 2026

(₹ lakhs)

Sr. No.	Item Description	Quarter ending 31 December 2025		Quarter ending 31 March 2026	
		No. of Accounts	Amount	No. of Accounts	Amount
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size in the project.	-	-	-	-
7	Out of '5', accounts in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-	-	-
8	Out of '4'- accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-	-	-
8.1	Out of '8'- accounts in respect of which resolution plan has been implemented.	-	-	-	-
8.2	Out of '8'- accounts in respect of which resolution plan is under implementation.	-	-	-	-
8.3	Out of '8'- accounts in respect of which resolution plan has failed.	-	-	-	-

**The above disclosure is net of accounts closed during the quarter*

xxxviii) Currency Futures

The Company does not have any transactions in currency futures during the year

xxxix) Currency Options

The Company does not have any transactions in currency options during the year

xxxx) Non-Fund Based (NFB) Credit Facilities:

(₹ lakhs)

Sr. No.	Particulars	As at 31 March 2026		As at 31 March 2025	
		Secured	Unsecured	Secured	Unsecured
1	Outstanding Guarantees				
	i) In India	NIL	NIL	NIL	NIL
	ii) Outside India	NIL	NIL	NIL	NIL
2	Acceptances, Endorsements and other Obligations	NIL	NIL	NIL	NIL
3	Other NFB Credit Facilities	NIL	NIL	NIL	NIL

Notes to Financial Statements

for the year ended 31 March, 2026

xxxxi) Credit Default Swaps

The Company does not have any transactions in credit default swaps during the year

xxxxii) Loans to directors, senior officers and relative to directors

(₹ lakhs)

Sr. No.	Particulars	As at 31 March 2026	As at 31 March 2025
1	Directors & their Relatives	NIL	NIL
2	Entities associated with Directors & their Relatives		
3	Senior officers and their Relatives		

54 Public Disclosure on Liquidity Risk as at 31 March, 2026, pursuant to RBI circular no.RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019

i) Funding Concentration based on significant counterparty (both deposit and borrowings)

Financial Year	No. of Significant Counterparties	Amount (₹ lakhs)	% of total Deposits	% of Total Liabilities
As at 31 March 2026	23	927,151	Not applicable	89.5%
As at 31 March 2025	19	861,514	Not applicable	89.4%

**Total liability excludes equity*

Note:

1) A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of total liabilities.

2) Total liabilities excludes shareholder's funds

3) Principal outstanding as on reporting date.

ii) Top 20 large deposits: Not applicable

iii) Top 10 Borrowings:

Financial year	Amount (₹ lakhs)	% of Total Borrowings
As at 31 March 2026	654,362	65.18%
As at 31 March 2025	696,841	75.19%

Represents Principal outstanding as on reporting date.

iv) Funding concentration based on significant instrument / product:

(₹ lakhs)

Sr. No.	Name of the instrument	As at 31 March 2026	% of Total Liabilities*	As at 31 March 2025	% of Total Liabilities*
1	Term Loan	571,824	55.2%	609,374	63.2%
2	Non-Convertible Debentures (NCD)	302,415	29.2%	238,153	24.7%
3	External Commercial Borrowings	94,882	9.2%	42,636	4.4%
4	Sub-ordinate Debt	30,533	2.9%	25,357	2.6%
5	Borrowing through Pass Through Certificate (PTC)	4,298	0.4%	6,277	0.7%
6	Commercial Papers	-	0.0%	4,950	0.5%

Notes to Financial Statements
for the year ended 31 March, 2026

Note:

1) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of total liabilities.

2) Carrying value as on reporting date

3) Total liabilities excludes shareholder's fund

v) Stock Ratios:

S. No.	Name of the instrument	As at 31 March 2026	As at 31 March 2025
1	Short-Term NCD (original maturity up to 1year)/Total Assets	0.0%	0.0%
2	Short-Term NCD (original maturity up to 1year)/Total External Liabilities	0.0%	0.0%
3	Short-Term NCD (original maturity up to 1year)/Total Public Funds	0.0%	0.0%
4	Commercial Papers/Total Assets	0.0%	0.4%
5	Commercial Papers/Total external liabilities	0.0%	0.5%
6	Commercial Paper / Total Public Funds	0.0%	0.5%
7	Long-Term Assets/ Total Assets	76.0%	74.2%
8	Other Short-Term Liabilities/Total External Liabilities*	22.7%	19.4%
9	Other Short-Term Liabilities/Total Assets	19.5%	16.7%
10	Other Short-Term Liabilities/Total Public Funds	23.4%	20.2%

**External liabilities excludes shareholder's fund.*

Note:

1) Other Short-term Liabilities includes borrowings, which are maturing within 12 months from the reporting date excluding Commercial papers.

vi) Institutional Setup of Risk Management

The Company's Board of Directors (BOD) is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions.

The Company's liquidity risk is managed by Asset Liability management Committee (ALCO) based on guidelines provided by Risk Oversight Committee (ROC). ALCO is responsible for ensuring adherence to the liquidity risk appetite and asset-liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

SMFG India Home Finance Company Limited has an Institutional Governance setup for Risk Management as below:

1) Board of Directors

2) Risk Oversight Committee(ROC)

3) Asset Liability Management Committee (ALCO)

4) ALM Support Group

The Company has a well-diversified funding mix with adequate proportion of long-term borrowings.

Notes to Financial Statements

for the year ended 31 March, 2026

vii) Liquidity Coverage Ratio

A Qualitative Disclosure

SMFG India Home Finance Company Limited has a Risk Oversight Committee (ROC), a Board level Sub-committee to oversee liquidity risk management. Liquidity risk is managed by the Asset Liability Management Committee (ALCO), based on the Company's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for adherence to the liquidity and asset liability management limits and to oversee implementation of the strategic direction set by the Board. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under various assumptions.

RBI vide circular dated November 4, 2019 has made it mandatory for NBFCs to implement Liquidity Coverage Ratio (LCR) with effect from December 1, 2020. Accordingly, the Board and ALCO approved the Liquidity risk management policy which cover Liquidity Coverage Ratio requirements. The overall Liquidity risk management of SMHFC is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodic review. LCR requires SMHFC to maintain adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash promptly and used immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario.

As a strategy, SMHFC has investments in government securities and balance in current account with banks which has resulted in a high level of HQLA. SMHFC follows the criteria laid down by the RBI for month-end calculation of High-Quality Liquid Assets (HQLA), Net Cash outflows within the next 30-day period. SMHFC is funded through Term loans from banks, Non-convertible bonds and External Commercial Borrowings. The Company assesses the impact on short term liquidity gaps under stress scenarios and maintain sufficient liquidity buffers. LCR framework has become applicable to the Company in current year.

The Company has a well-diversified funding mix with adequate proportion of long-term borrowings. All foreign currency borrowings are effectively hedged through derivative contracts at the reporting date. For LCR computation only bank balances and investment in Government Securities has been considered as HQLA, while the Company also holds liquid assets like callable Fixed Deposits, which can be liquidated immediately and considered as part of cash inflow.

B Quantitative Disclosure

(₹ lakhs)

		As at June 30, 2025		As at September 30, 2025		As at December 31, 2025		As at March 31, 2026	
Particulars		**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**
HIGH QUALITY LIQUID ASSETS									
1	Cash on hand	86	86	77	77	70	70	13	13
2	Balances in current account	6,962	6,962	6,088	6,088	6,158	6,158	5,837	5,837
3	Government securities	29,512	29,512	20,670	20,670	19,450	19,450	23,104	23,104
TOTAL HIGH QUALITY LIQUID ASSETS		**36,560**	**36,560**	**26,834**	**26,834**	**25,678**	**25,678**	**28,954**	**28,954**
CASH OUTFLOWS									
4	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	1,605	1,846	3,261	3,750	491	564	4,333	4,983
6	Secured wholesale funding	17,999	20,698	11,008	12,659	15,793	18,162	12,180	14,007

Notes to Financial Statements

for the year ended 31 March, 2026

(₹ lakhs)

	Particulars	As at June 30, 2025		As at September 30, 2025		As at December 31, 2025		As at March 31, 2026	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
7	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
8	Other contractual funding obligations	10,242	11,778	9,643	11,089	8,665	9,965	9,018	10,370
9	Other contingent funding obligations	58,109	66,826	43,677	50,230	40,701	46,806	38,918	44,756
TOTAL CASH OUTFLOWS		**87,955**	**101,148**	**67,589**	**77,728**	**65,650**	**75,497**	**64,449**	**74,117**
CASH INFLOWS									
10	Secured lending	-	-	-	-	-	-	-	-
11	Inflows from fully performing exposures	77,992	58,494	64,387	48,290	57,020	42,765	54,735	41,051
12	Other cash inflows	122,830	92,123	122,830	92,122	129,013	96,760	104,379	78,284
TOTAL CASH INFLOWS		**200,822**	**150,616**	**187,217**	**140,412**	**186,034**	**139,525**	**159,114**	**119,335**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	75% of stressed outflow		75,861		58,296		56,623		55,587
	CAP of Cash inflow (Maximum of 75% of stressed outflow)		75,861		58,296		56,623		55,587
13	**TOTAL HQLA**		**36,560**		**26,834**		**25,678**		**28,954**
14	**TOTAL NET CASH OUTFLOWS**		**25,287**		**19,432**		**18,874**		**18,529**
15	**LIQUIDITY COVERAGE RATIO (%)**		**145%**		**138%**		**136%**		**156%**

55 The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Vikram Prahlad Kumtakar
Partner
Member Reg No : 104656

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

Place: Mumbai
Date: 11 May, 2026

Notes to Financial Statements

for the year ended 31 March, 2026

SCHEDULE TO THE BALANCE SHEET OF A HOUSING FINANCE COMPANY

(as required in terms of paragraph 20 of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

(₹ lakhs)

S. No.	Particulars	As at 31 March 2026	
	Liabilities side:	**Amount Outstanding**	**Amount Overdue**
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
	(a) Debentures (other than falling within the meaning of public deposits)		
	Secured	302,415	-
	Unsecured	30,533	-
	(b) Deferred Credits	-	-
	(c) Term Loans	666,706	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans	4,298	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

(₹ lakhs)

S. No.	Particulars	As at 31 March 2026 Amount Outstanding
	Assets side:	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Gross Secured	1,107,020
	(b) Gross Unsecured	-
4	**Break up of Leased Assets and stock on hire and other assets counting towards financing activities**	**Amount Outstanding**
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Finance Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other Loans counting towards Assets Financing activities :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Notes to Financial Statements

for the year ended 31 March, 2026

(₹ lakhs)

S. No.	Particulars	As at 31 March 2026 Amount Outstanding
5	**Break-up of Investments:**	
	Current Investments	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted:	-
	(i) Shares:	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	19,578
	(v) Others	-
	Long-Term Investments	
	1. Quoted:	-
	(i) Shares:	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

Notes to Financial Statements

for the year ended 31 March, 2026

6 Borrower group-wise classification of all assets financed as in (3) and (4) above:

(₹ lakhs)

Particulars	As at 31 March 2026		
	Amount (Net of Provision)		
Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,089,810	-	1,089,810
Total	**1,089,810**	**-**	**1,089,810**

7 Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

(₹ lakhs)

Particulars	As at 31 March 2026	
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same management	-	-
(c) Other related parties	-	-
2. Other than related parties	19,578	19,578
Total	**19,578**	**19,578**

8 Other Information

(₹ lakhs)

Particulars	Amount Outstanding
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	30,012
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	19,932
(iii) Assets acquired in satisfaction of debt	-

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd

Colathur Narayanan Ram
Chairperson, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Archana Nadgouda
Company Secretary
ICSI Reg. No. : A17140

Place: Mumbai
Date: 11 May, 2026

Place: Mumbai
Date: 11 May, 2026

Notes

SMFG
Grihashakti
Nayi Asha. Naya Vishwas.

SMFG India Home Finance Company Limited

Registered Office

Commerzone IT Park, Tower B, 1st Floor,
No. 111, Mount Poonamallee Road, Porur,
Chennai – 600016, Tamil Nadu.

Corporate Office

503 & 504, 5th Floor, Inspire BKC, G Block,
BKC Main Road, Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra.

Website: www.grihashakti.com
E-mail: grihashakti@grihashakti.com
Toll-free No: 1800 102 1003

Concept, content and design at stirrup | whatsup@stirrup.works